

University of Idaho



CELEBRATING 125 YEARS

FINANCIAL STATEMENTS FOR THE YEARS
ENDED JUNE 30, 2014 AND 2013 AND
REPORT OF INDEPENDENT AUDITORS

INCLUDING SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND SINGLE AUDIT
DOCUMENTS

FOR THE YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT AUDITORS	1 - 3
MANAGEMENT’S DISCUSSION AND ANALYSIS	4 - 15
FINANCIAL STATEMENTS:	
Statements of Net Position	16 – 17
Statements of Revenues, Expenses and Changes in Net Position	18 – 19
Statements of Cash Flows	20 – 21
Statements of Benefit Plan Net Position	22
Statements of Changes in Benefit Plan Net Position	23
Notes to Financial Statements	24 – 59
REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	60 – 61
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY <i>OMB CIRCULAR A-133</i>	62 – 63
SCHEDULE OF FINDINGS AND QUESTIONED COSTS:	64 - 65
Part I – Summary of Auditor’s Results Section	
Part II – Financial Statement Findings Section	
Part III – Federal Award Findings and Questioned Costs Section	
Schedule of Expenditures of Federal Awards	66 – 82
Notes to the Schedule of Expenditures of Federal Awards	83 - 87

REPORT OF INDEPENDENT AUDITORS

Idaho State Board of Education
University of Idaho
Moscow, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Idaho (the "University") and the discretely presented component unit, as of and for the years ended June 30, 2014 and 2013, and the aggregate remaining fund information of the University, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the University of Idaho Foundation (the "Foundation"), which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit, or the University of Idaho Health Benefits Trust, which represent 12 percent, 3 percent, and 89 percent, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation and the University of Idaho Health Benefits Trust, are based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

MOSS ADAMS_{LLP}

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University, and its discretely presented component units, as of June 30, 2014 and 2013, and the aggregate remaining fund information of the University, as of December 31, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 4 through 15 and certain information in Note 13, *Postemployment Benefits (Other than Pensions) and Retiree Benefits Trust*, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Moss Adams LLP".

Eugene, Oregon
September 25, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

The University of Idaho ("University") is a doctoral-research intensive land-grant institution, with the principal responsibility for research and granting Ph.D. degrees in Idaho. The University serves state, national and international communities by providing academic instruction and conducting research that advances fundamental knowledge. In addition to its main campus in Moscow, the University has instructional centers in Coeur d'Alene, Boise, Twin Falls and Idaho Falls as well as research and extension centers located across the state.

Overview

The Management's Discussion and Analysis is designed to provide an easy to read analysis of the University's financial condition, results of operations and cash flows based on facts, decisions and conditions known at the date of the auditor's reports. The emphasis of this discussion of the financial performance of the University is for the current year, June 30, 2014.

The discussion and analysis that follows provides an overview of the University's financial activities for the fiscal year ended June 30, 2014 in comparison to 2013 and 2012. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. They are prepared using the accrual basis of accounting, whereby revenues are recognized when services are provided and expenses are recognized when goods or services are received, regardless of when cash is exchanged.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, Determining Whether Certain Organizations are Component Units, an Amendment of GASB Statement 14, these statements also present information for the University of Idaho Foundation, Inc. ("Foundation") which qualifies as a component unit of the University.

In accordance with GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, the University has included financial statements for the Health Benefits (HBT) Trust and Retirement Benefits (RBT) Trust. The HBT was established to meet the requirements of the State of Idaho Department of Insurance in order to manage the University's self-insurance program. Separate audited financial statements are prepared for the HBT and may be obtained by contacting University of Idaho, Attn. General Accounting, 875 Perimeter Drive MS3166, Moscow, ID 83844-3166. The RBT was established to meet the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. These statements and related supplementary information are presented after the University's financial statements and preceding the notes to the financial statements.

Statement of Net Position

The statement of net position outlines the University's financial condition at fiscal yearend. This is a point-in-time financial statement and presents end-of-year data concerning assets, liabilities and net position. From the data presented, readers are able to determine the assets available to continue the operations of the University. They are also able to determine how much the University owes vendors, investors and lending institutions. Finally, it provides

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

a picture of the net position (assets minus liabilities) and their availability for expenditure by the University.

The statement of net position is presented in a classified format, which differentiates between current and noncurrent assets and liabilities, and also groups net position into four categories which are:

1. Net Investment in Capital Assets - the University's investment in property, plant, and equipment - net of depreciation and outstanding debt obligations related to those capital assets.
2. Restricted Nonexpendable - the corpus of nonexpendable restricted resources is available only for investment purposes. These assets are held in perpetuity.
3. Restricted Expendable - subject to external donor or grantor stipulations regarding their use. The University may expend these assets for purposes as determined by donors and/or external entities.
4. Unrestricted - may be expended for any lawful purpose of the University.

Condensed Statement of Net Position Fiscal Years Ended June 30 (Dollars in Thousands)			
	2014	2013	2012
ASSETS			
Current assets	\$ 48,765	\$ 54,886	\$ 48,726
Capital assets - net	402,222	400,527	396,636
Other noncurrent assets	98,609	87,157	157,864
Total assets	<u>\$ 549,596</u>	<u>\$ 542,570</u>	<u>\$ 603,226</u>
LIABILITIES			
Current liabilities	\$ 52,952	\$ 55,772	\$ 47,026
Noncurrent liabilities	151,064	159,202	152,609
Total Liabilities	<u>\$ 204,016</u>	<u>\$ 214,974</u>	<u>\$ 199,635</u>
NET POSITION			
Net investment in capital assets	\$ 248,652	\$ 243,071	\$ 239,982
Restricted nonexpendable	-	-	74,859
Restricted expendable	31,913	28,851	24,796
Unrestricted	65,015	55,673	63,954
Total net position	<u>\$ 345,580</u>	<u>\$ 327,596</u>	<u>\$ 403,591</u>
Total liabilities and net position	<u>\$ 549,596</u>	<u>\$ 542,570</u>	<u>\$ 603,226</u>

Total assets for the University ended fiscal year 2014 at \$549.6M, an increase of \$7.0M when compared to prior year. Current assets decreased \$6.1M, or 11%, to \$48.8M, with the majority of the decrease being driven by transfer of \$5M from cash and cash equivalents to non-current unrestricted investments. Cash and cash equivalents had an overall net decrease of \$3.1M while prepaid expenses also decreased \$2.5M, due to a prepayment of the Boise Water Center rent of \$2.7M made as an early payment in June of FY13; however, properly paid on time in July of FY15.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

Cash and cash equivalents have been materially influenced over the past 2 years by a planned strategic shift from low-interest bearing cash reserves into long-term higher yielding investments. Beginning in fiscal year 2012, the University has been actively involved in transferring its investment management oversight to two independent, professional firms who are tasked with investing targeted long-term cash reserves into higher yielding investments while minimizing investment principal risk, where possible. This strategy has proved very successful with current investment yields exceeding 2.5% and combined investment income and realized gains from strategic investment repositioning exceeding operational budgets by approximately \$400K in FY14 and \$500K in FY13.

Noncurrent assets increased \$13.1M, or 2.7%, to \$500.8M in FY14 primarily due to an \$8.8M increase in unrestricted long-term investments. This increase is primarily due to an additional cash investment of \$5.0M, reinvestment of \$1.8M of net investment income, and the recovery of \$2.1M of unrealized market value losses incurred during the last quarter of FY13 due to favorable market conditions in FY14.

Current liabilities decreased \$2.8M, or 5.0%, to \$53.0M in fiscal year 2014. The balance within accounts payable increased \$1.8M and is highly dependent upon the timing of year-end capital project expenditures and invoicing transactions, and can vary significantly from year to year. Accrued salaries and benefits payable decreased by approximately \$5.2M (20%) due largely in part to a \$5.2M reduction in benefits-related liability reserves resulting from a year-long extensive review, with the assistance of external consultants, of the University's historical internal fringe benefit rate charging practices designed to properly administer and report its highly variable, self-funded benefit plans for both employee and retiree health plans, life insurance, and GASB 45 OPEB obligations. These practices, over the past several years, were found to have resulted in a consistent overly conservative estimation of annual benefits-related expenses resulting in an excessive accumulation of plan reserves reported in accrued salaries and benefits payable in the annual Statement of Net Position. In FY14, the special project analysis was completed and approximately \$5.2M of excess liability reserves were eliminated and recognized as other sources revenue in the Non-Operating section of the Statement of Revenues, Expenses, and Changes in Net Position. Accordingly, new procedures have been implemented in FY14 to more accurately administer and annually report these highly variable, self-funded benefit plan costs.

Noncurrent liabilities decreased \$8.1M, or 5.1%, to \$151.1M over prior year numbers due to the scheduled payments of notes and bonds payable and capital lease obligations. No new debt was issued in FY14; however, as discussed in footnote 20, Subsequent Events, on July 10, 2014, the University issued \$48.7M of general revenue bonds, Series 2014, to provide funds to finance the construction and equipping of a new 71,000 sq.ft. research center on the main campus in Moscow, Idaho, referred to as the Integrated Research and Innovation Center (IRIC) along with funds necessary to fully renovate the existing College of Education Building. After accounting for additional funds generated by selling the bonds with initial premium pricing and subtracting issuance costs, the University received \$51.6 million in total project funds. These funds combined with state and private donor support will be used to cover the total planned costs of both projects of approximately \$66.2 million (\$49 million for the IRIC Building and \$17.2 million for the College of Education Building). Both projects began construction in the summer of 2014 and are expected to be completed in the fall of 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

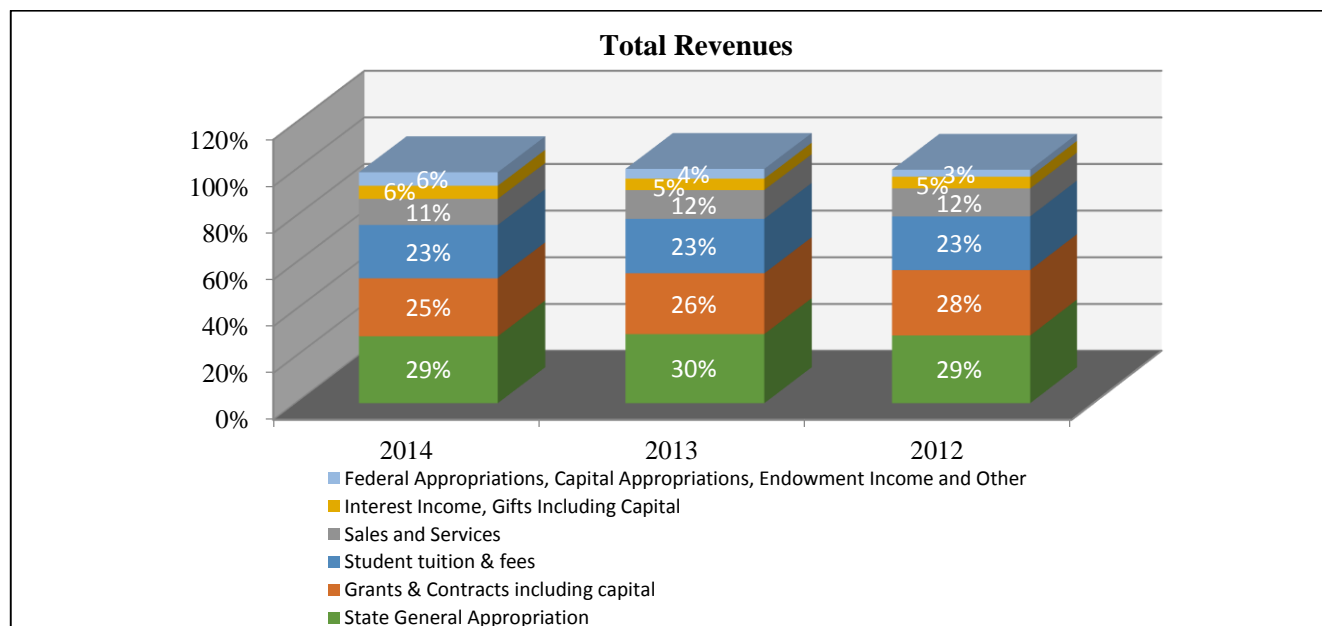
Overall total liabilities decreased \$11.0M, or 5.1%, to \$204.0M while the University's net position increased by \$18.0M to \$345.6M in fiscal year 2014 with the majority (\$11.6M or 21%) being added to the key operational and strategic segment, unrestricted net position.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year, classifying activities as either operating or non-operating. The GASB 34 reporting model classifies state appropriations, gifts, federal appropriations, and investment income as non-operating revenue which results in a net operating loss.

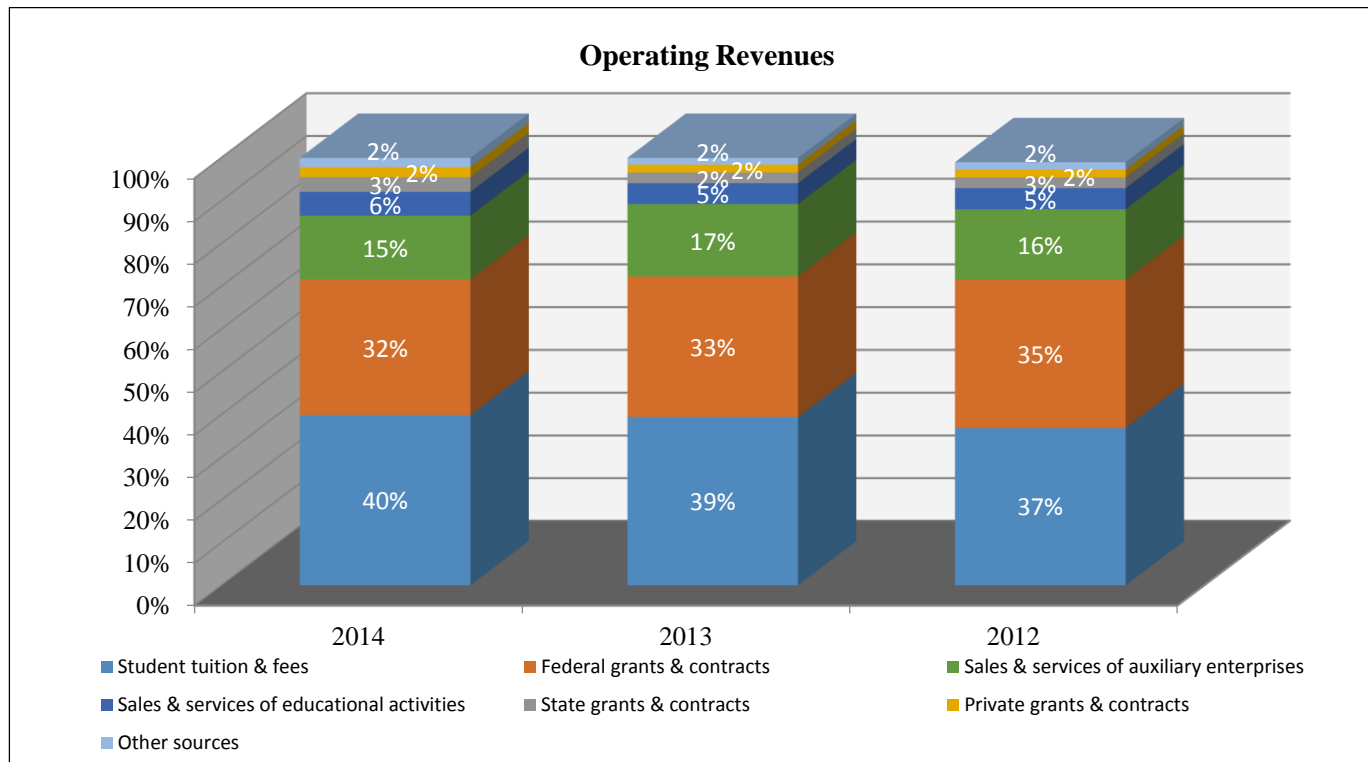
Operating revenues are derived from exchange transaction activities associated with providing goods and services for instruction, research, public service or related support to entities separate from the university. Examples include student tuition and fees, sales and services, grants and contracts. Operating expenses are those expenses paid to acquire or produce the goods and services provided to carry out the functions of the University. Examples include salaries, benefits, scholarships, and purchases of supplies. Non-operating revenues are primarily derived from activities that are non-exchange transactions, e.g., gifts and contributions; and from sources defined as such by GASB Statement No. 9, e.g., investment income; and from sources defined as such by GASB Statement Nos. 33 and 34, e.g., state and federal appropriations.

When comparing all of the University's sources of revenue in 2014, as shown in the chart below, state appropriations account for 29% of the total revenue received while grants and contracts accounted for 25%, and student tuition and fees were 23% of the total.



MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

When isolating the review to only operating revenues, as shown in the graph below, approximately 87% of total operating revenues in fiscal year 2014 were generated from three key revenue sources. Student tuition and fees accounted for 40% of total operating revenues while federal grants and contracts accounted for 32%, and sales and services of auxiliary enterprises covers 15%. All other categories account for 6% or less.



Condensed Statement of Revenues, Expenses and Changes in Net Position			
Fiscal Years Ended June 30			
(Dollars in Thousands)			
	2014	2013	2012
Operating revenues	\$ 209,184	\$ 209,555	\$ 206,726
Operating expenses	360,879	361,480	349,061
Operating loss	(151,695)	(151,925)	(142,335)
Net nonoperating revenues	162,077	151,052	139,310
Loss before other revenues	10,382	(873)	(3,025)
Other revenues	7,603	7,305	4,262
Increase In Net Position Before Special Item	17,985	6,432	1,237
Special Item - see Note 20	-	(80,990)	-
Increase In Net Position	17,985	(74,558)	1,237
Net Position - Beginning of year	327,595	402,153	402,354
Cumulative effect implementing GASB 65	-	-	(1,438)
Net Position - End of year	\$ 345,580	\$ 327,595	\$ 402,153

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

The statement of revenues, expenses and changes in net position details the \$18.0M increase in net position for fiscal year 2014. This compares favorably to prior year's increase of \$6.4M, excluding the financial impact of the Special Item transfer of \$81.0M in CIT assets to the Foundation in FY13.

As shown in the chart above, operating revenues remained relatively flat with prior year, only decreasing by \$372K, or -0.2%, to \$209.2M in fiscal year 2014. Student tuition and fees, net of scholarship allowance increased \$703K, or 0.9%, to \$83.4M. This increase is accounted for in large part by the 4.0% increase in gross student fees combined with a 0.8% decrease in institutional waivers; however, offset by a 3.3% decrease in student FTE enrollments for the entire academic year. Overall net revenue per student increased due to a strategic move in fiscal year 2013 to begin reducing the overall amount of institutional tuition waivers offered to students, especially non-resident.

Total student headcount enrollments in both undergraduate and graduate levels, in the Fall of 2013, experienced a 4.9% decrease to approximately 11,900 students, while full-time student enrollments declined by 4.0% to approximately 10,000 due largely in part to a lower continuing/returning cohort class in Fall Term 2013 combined with recent changes supported by the Idaho State Board of Education which reduced the number of credits required for graduation thus resulting in a higher proportion of students graduating when compared to prior periods. We expect this negative impact to overall student full-time equivalent enrollment levels to be temporary and ultimately inconsequential as time passes.

New and existing program fees contributed an additional \$503K in revenues for fiscal year 2014 as compared to 2013 with continued success emanating from our national reputation in delivering high quality, professional degreed and non-degreed programs such as our Public Utilities Executive Course and Doctorate in Athletic Training Program.

Federal, state, and private grants and contracts revenue remained consistently strong at \$78.4M in FY 2014, compared with \$77.9M in the prior year while sales and services of educational activities contributed to operating revenues with an increase of \$1.4M or 13.7% to \$11.6M. This increase was primarily due to timber sales increasing by \$560K, livestock sales increasing by \$282K, and increases in other commodity based products and services. Increased sales of timber and livestock were the result of the University's ability to take advantage of a material rise in commodity prices in FY14 versus FY13.

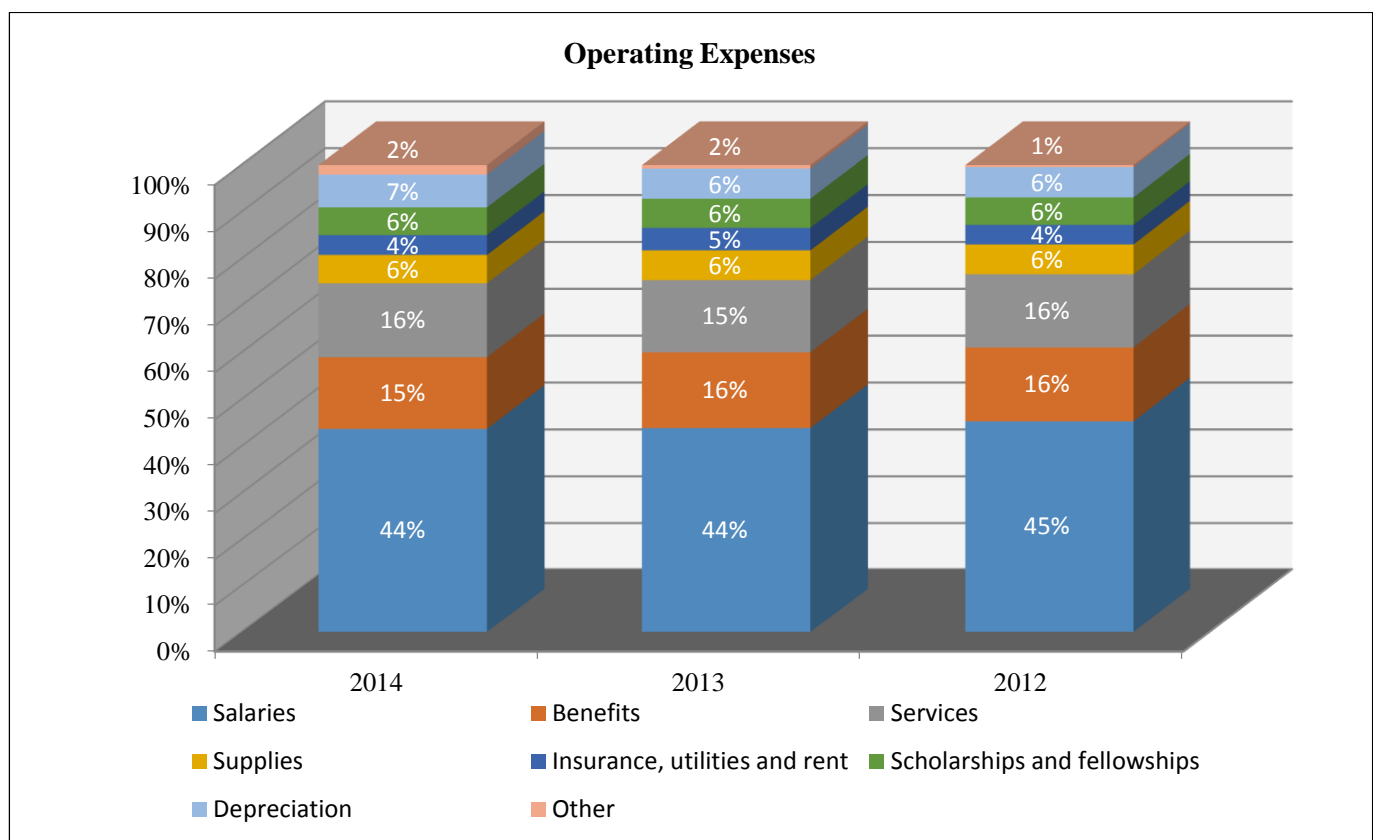
Operating revenues in fiscal year 2014 were negatively affected in part by a \$4.3M decrease in sales and services of auxiliary enterprises. Housing, dining, athletics, and the University's bookstore operations (VandalStore) all experienced decreased revenues in FY14. Housing and dining services saw a combined marginal decrease of \$287K (-1.5%) to \$19.2M in FY14. The VandalStore revenues decreased approximately \$988K (-12.5%) to \$6.9M, primarily due to lower textbook, general merchandise and technology sales. Some of the decline in VandalStore textbook sales were offset by an increase in textbook rentals in FY14 over FY13, a universal trend being seen across the entire higher education industry. Athletics experienced fluctuations in operating revenues in FY14 and FY13 primarily due to changes in athletic conference affiliations. In June 2013, Athletics received an unusually large distribution of more than \$3M in conference revenue from the Western Athletic Conference (WAC) due to significant conference restructuring; however, in fiscal year 2014, the University chose to compete as an independent program

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

for football, and as such did not receive any conference revenues. The FY14 decrease in conference revenues was partially offset by an increase in game guarantees of \$854,000 brought in by scheduling football games with high profile teams across the county. Starting in FY15, more consistency should be realized in athletic revenues as the University has joined the Sun Belt Conference for football and Big Sky Conference for predominantly all other sports.

Other sources of operating revenues increased \$1.2M (+40.8%) in FY14 as compared to FY13 driven mostly by a \$378K increase in health plan prescription drug rebate incentives and subsidies along with a \$319K increase in royalty income.

In fiscal year 2014, as shown in the graph below, approximately 75% of total operating expenses were generated from three key expenditure sources. Total personnel costs (salaries and benefits) accounted for 59% of total operating expenses while services expenditures accounted for 16%. All other categories account for 7% or less.



Operating expenses decreased by only a small amount, \$601K, or -0.2%, to \$360.9M in fiscal year 2014. Total personnel costs of \$213.0M in fiscal year 2014 was \$4.1M, or -1.9%, lower than 2013 levels of \$217.1M. Salaries expense remained relatively steady at \$157.8M due to a small drop in total FTE employment levels while benefits expense in FY14 decreased by \$3.2M (5.5%) to \$55.2M when compared to FY13. As mentioned in the section

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

above related to changes in accrued salaries and benefits payable, this decrease is primarily attributed to the successful completion of an extensive review, with the assistance of external consultants, of the University's historical internal fringe benefit rate charging practices designed to properly administer and report its highly variable, self-funded benefit plans for employee and retiree health plans, life insurance, and GASB 45 OPEB obligations. This special project analysis, completed in FY14, resulted in a more accurate reporting of annual employee benefits-related expenses in FY14 as compared to FY13.

Total services costs in fiscal 2014 only increased by \$1.2M, or 2.1%, to \$56.8M while supplies costs decreased by \$1.1M, or 4.8%, to \$21.9M. These costs are closely tied to grants and contract related expenditures associated with the academic research arm of the University as well as other key operational areas including student services, enrollment management, athletics, auxiliaries, facilities management, academic support services, and institutional administration.

Insurance, utilities, and rent costs showed an increase \$1.6M, or 11.3%, to \$15.3M in fiscal year 2014. This increase is primarily due to an early buyout (\$750K) of an operating lease for computer equipment coupled with increased heating costs of \$113K due to a greater number of cold days during the winter and burner upgrades to the steam plant, and \$44,000 of additional rent for new space associated with the Boise law school.

Depreciation expense increased \$2.0M, or 8.8%, to \$25.2M for FY14 as compared to FY13 and reflects the overall increase in annual depreciation levels relative to major capital asset additions placed into service in FY14 at the UI main campus, state-wide learning centers, and research facilities during the last twelve months along with \$1.6M of additional depreciation resulting from a re-evaluation of the estimated useful lives for certain building improvement capital assets previously being depreciated over 40 years. Other expenses increased \$950K, or 15.0%, to \$7.3M for FY14, driven primarily by increases in partnership royalty payments and employment-related legal settlements.

Nonoperating revenues, net of interest expense, increased by \$11.0M, or 7.3%, to \$162.1M in FY14. State appropriation revenues, including land grant endowment income, increased by \$4.3M, or 3.8%, to \$116.6M, due to increased State funding targeted primarily for general education initiatives. Revenues generated from Federal appropriations and Federal grants and contracts remained strong at \$20.9M. Gifts, including those provided by the University's Foundation, increased by \$1.7M, or 9.9%, to \$19.0M in fiscal year 2014 due to a combination of strong market returns for the endowment assets and continued successful efforts involved in the \$225 million multi-year capital fund-raising campaign. Net investment income increased by \$848K, or 69.8%, to \$2.1M in fiscal year 2014 due to the timing effect of lower available investment balances to invest in higher yielding investments during the transition of the long-term investment portfolio management shift during fiscal year 2013. The change in fair value of investments increased to a \$2.0M gain in 2014 as compared to a \$2.2M loss in 2013 due to stronger bond market pricing conditions.

Interest expense on long-term debt remained steady at \$7.2M in 2014 while other revenue sources increased by \$7.7M over FY13. As mentioned in the section above related to changes in accrued salaries and benefits payable, \$5.2M of one-time revenue was recognized during the process of eliminating excess benefits-related liability reserves in

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

FY14 along with \$2.2M being reported due to the initial establishment of the accumulated excess overfunding in its net OPEB Asset as of June 30, 2014.

The Idaho Department of Public Works provided \$5.0M of campus improvement capital project resources while the University's Foundation along with state and private grants & contracts also contributed \$2.6M in capital funds. Major projects funded by these capital project revenues were the renovation of the Niccolls Building, purchase of the Legacy Crossing property, Student Union building second floor renovation, Central Administration building HVAC improvements, and campus power-plant steam tunnel system improvements.

Overall, the University's net position, before Special Item in FY 2013, increased by \$18.0M (5.5%) to \$345.6M. This compares favorably to only a \$6.4M (2.0%) growth in 2013. Approximately \$9.3M (16.7%) was added to the University's unrestricted net position, ending FY 2014 at \$65M.

Statement of Cash Flows

The statement of cash flows presents detailed information about the cash activities of the University during the year ended June 30, 2014. The statement is divided into five parts. The first part details operating cash flows and the net cash used by the operating activities of the University. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing and non-capital financing purposes. The third section, cash flows from capital and related financing activities, shows the cash used for the acquisition and construction of capital and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds and interest received. The fifth section reflects the net change in cash position.

Condensed Statement of Cash Flows Fiscal Years Ended June 30 (Dollars in Thousands)			
	2014	2013	2012
Cash provided (used) by:			
Operating activities	\$ (128,928)	\$ (123,936)	\$ (123,381)
Noncapital financing activities	165,329	153,221	148,086
Capital and related financing activities	(33,698)	(25,002)	(28,475)
Investing activities	(4,695)	5,405	(45,906)
Net change in cash	(1,992)	9,688	(49,676)
Cash beginning of the year	25,298	15,610	65,286
Cash end of the year	<u>\$ 23,306</u>	<u>\$ 25,298</u>	<u>\$ 15,610</u>

Operating activities used \$128.9M in cash during fiscal year 2014, resulting in an increase of \$5.0M, or 4%, from fiscal year 2013 levels. Non-capital financing activities provided \$165.3M in cash during fiscal year 2014, resulting in an increase of \$12.1M, or 7.9%, from fiscal year 2013. This increase was caused primarily by the \$3.6M increase in state appropriations for general educational initiatives and \$7.4M in additional resources from the recognition of

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

one-time revenues from eliminating excessive fringe benefit reserves and recognizing the overfunding of its net OPED asset. Capital and related financing activities used \$33.7M of cash in fiscal year 2014, an increase of \$8.7M, due mostly to no new debt proceeds acquired in FY14 vs FY13. Investing activities used \$4.7M in cash in fiscal year 2014, as compared to providing \$5.4M in fiscal year 2013 due to the University's continued commitment to strategically acquire higher yielding long-term investments to improve available financial resources.

Capital Assets and Debt Management

The University had \$788.9M and \$765.4M of capital assets at June 30, 2014 and 2013 respectively, with accumulated depreciation of \$386.6M and \$364.9M respectively. The major categories and associated value of capital assets as well as accumulated depreciation at June 30, 2014, 2013 and 2012 are illustrated in the chart below.

	2014	2013	2012
Capital Assets at Cost			
Buildings and improvements	\$ 573,540	\$ 562,775	\$ 548,132
Equipment	96,272	93,153	88,855
Construction in progress	6,488	2,651	7,763
Library materials	82,713	78,892	74,854
Capitalized collections	2,318	2,307	2,259
Land	27,490	25,624	19,375
Total Capital Assets	\$ 788,821	\$ 765,402	\$ 741,238
Accumulated Depreciation			
Building and improvements	\$ 241,539	\$ 226,362	\$ 212,857
Equipment	80,256	77,031	73,451
Library materials	64,805	61,482	58,294
Total Accumulated Depreciation	\$ 386,600	\$ 364,875	\$ 344,602
Total Capital Assets, Net	\$ 402,221	\$ 400,527	\$ 396,636
	2014	2013	2012
Total Notes and Bonds Payable	\$ 158,200	\$ 165,643	\$ 163,843

At June 30, 2014 and 2013, the University had debt (or similar long-term obligations) of \$158.2M and \$165.6M respectively. No new debt was issued in FY14; however, as discussed in footnote 20, Subsequent Events, on July 10, 2014, the University issued \$48.7M of general revenue bonds, Series 2014, to provide funds to finance the construction and equipping of a new 71,000 sq.ft. research center on the main campus in Moscow, Idaho, referred to as the Integrated Research and Innovation Center (IRIC) along with funds necessary to fully renovate the existing College of Education Building. Total bond proceeds received from the Series 2014 bond issuance was \$51.6M.

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

Economic Outlook

In 2014, Idaho's economy continues to experience positive growth and sustained recovery despite less than previously forecasted growth in employment, housing, and wages. As reported by the Idaho Division of Financial Management in the April 2014 Idaho Economic Forecast Report, the state's economy has been solidified by a continuing restoration of Idaho's labor market and the high demand for new home construction which not only fuels construction employment, but also retail and service jobs. This positive news in the nonfarm sector coupled with continued firm commodity pricing and robust crop yields from the agricultural sector contributes to higher tax revenues for the state's treasury.

On the national scene, the economy saw decelerated growth in the 1st quarter of 2014 due to the cold winter weather that dampened spending and investments. The impacts of this deceleration reverberated through the national economy, reshaping the near-term outlooks for retail sales, housing, and employment over the next few years. This had an effect of slowing the anticipated recovery in the State of Idaho but is expected to be more supportable in the long term.

As the positive economic growth trend for the State continues, the funding available to higher education has continued to rise, albeit in small measures. In fiscal year 2015, the State Board of Education approved an 8.2% increase (+\$9.4M) in state funding to the University through a rise in general education appropriations of 7.1% (+\$5.4M) and an additional 9.1% (+\$2.8M) for research, extension and other specific programs, and a 16.6% increase (+\$1.2M) in the land grant endowment distribution. This places total funding in FY15 from the State at approximately \$125 million. This follows a 3.8% increase (+\$4.3M) in funding in FY14 over FY13 levels.

The financial position of the University is stable and improving; however, leadership continues to proactively pursue other revenue streams while remaining diligent in monitoring costs. Senior leadership is also cognizant of the fact that the local, national, and international economic recoveries are not fully complete and that there will continue to exist many demands on limited state and federal financial resources. Fiscal efforts at the state and national level to sustain and potentially increase the funding levels for higher education continue to look promising; however, positive improvements in the local and state economy need to solidify further to provide much needed stable and predictable state tax revenues. In response to these continued fiscal challenges, the University's leadership has taken proactive measures over the past few years to mitigate the negative effects as well as reposition much needed fiscal resources to critical academic, student services, and administrative areas. Senior leadership continues to actively plan for future state funding scenarios, both positive and negative, and is well prepared to successfully address them as they materialize.

Increased investment in strategic enrollment efforts and financial aid management over the past three years continue to show meaningful results with Fall 2013 student FTE enrollments reflecting a manageable 4% decline to approximately 10,000 students across all 5 statewide campuses. New freshmen enrollments continue to show small but measureable positive trends; however, recent changes supported by the Idaho State Board of Education in reducing the number of credits required for graduation has resulted in a higher proportion of students graduating

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

when compared to prior periods. We expect this negative impact to overall student full-time equivalent enrollment levels to be temporary and ultimately inconsequential as time passes. Significant efforts across all areas of the university continue to remain focused on student retention with promising results being seen at both the undergraduate and graduate levels.

The University continues to excel as a national leader in high quality academic research. Being recognized by the Carnegie Foundation as a high research activity institution, the University was actively engaged in approximately \$76 million in sponsored program grant and contract expenditure activities in fiscal year 2014 with total expenditures toward research of \$95.6 million. University efforts toward proactively pursuing new federal, state, industry, and other grants and contracts continue to show our commitment to remain a national leader in academic research. In fiscal year 2014, several key awards were granted to UI research faculty. A \$3.1 million, five year grant from the National Science Foundation (NSF) Integrated Graduate and Research Traineeship (IGERT) will support 24 doctoral students on interdisciplinary teams, include faculty participation from seven colleges and 12 departments at UI and four institutions in Chile and Canada. The goal of this project is to study impacts of climate change and population dynamics on physical, ecological, and socio-economic systems, and integrate these to formulate proactive adaptation scenarios for the Columbia River Basin. The National Institutes of Health has renewed a five year grant up to \$16.3 million to the University of Idaho led statewide biomedical research network.

Major capital improvements in FY 2014 continued to positively enhance the beauty, productivity, and safety on the main campus. The Niccolls building received \$2.6 million in updates to building systems to support instruction. The Student Union Building received a \$1.5 million facelift to modernize large meeting venues on the second floor. In August 2014, the University will break ground on the new Integrated Research and Innovation Center (IRIC). This new \$49 million facility is designed specifically for highly complex and market-driven government and private sector research grants and will include advanced equipment and laboratories housed among 71,000 sq.ft. of space. The IRIC building represents the University's commitment and support to the national trend toward more interdisciplinary research efforts both within the various academic units at the University as well as key research and development partnership efforts with other major research universities in the region.

In spite of the economic challenges facing the State of Idaho and the nation, the University of Idaho continues to move forward with strategic academic, student services, and fiscal initiatives that will advance the mission and long-term goals of the University. We will continue to seek efforts to grow and enhance existing revenue sources, while also seeking out new opportunities. Efforts are in place to increase enrollment with help from outside consultants and the University has completed the 1st phase of a multi-year program prioritization study designed to strategically examine and restructure academic and administrative programs and services where prudent. Efforts continue to strategically monitor employment staffing levels, scrutinize capital improvement activities, and meticulously contain costs where possible. The leadership at the University of Idaho will continue to proactively address all challenges, financial and otherwise, by continuing to operate with a strong sense of integrity, accountability, and fiscal responsibility. Every member of the University's collective body: students, faculty, and staff are fully committed to playing an active role in the continued success of the State of Idaho's premier research and land-grant institution.

STATEMENT OF NET POSITION AS OF JUNE 30, 2014 AND 2013

	University of Idaho 2014	University of Idaho 2013	University of Idaho Foundation (note 17) 2014	University of Idaho Foundation (note 17) 2013
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 12,226,597	\$ 15,323,493	\$ 14,965,612	\$ 11,605,647
Due from state agencies	192,441	190,986	-	-
Prepaid expenses	1,643,651	4,180,169	-	-
Investments - Restricted	601,282	601,940	12,757,435	11,338,302
Interest receivable	485,631	579,381	474,714	452,118
Student loans receivable	1,588,150	1,598,188	-	-
Accounts receivable & unbilled charges - net	30,060,995	29,782,066	-	-
Inventories	1,648,353	2,298,645	-	-
Promises to give - net	-	-	1,259,225	1,353,293
Notes receivable	318,022	330,753	59,135	66,500
Total Current Assets	48,765,124	54,885,620	29,516,121	24,815,860
NONCURRENT ASSETS				
Restricted cash and cash equivalents	11,078,962	9,973,941	18,376,600	11,998,360
Student loans receivable - net	9,351,105	9,685,063	-	-
Investments - Unrestricted	71,539,011	62,760,654	-	-
Investments - Restricted	-	-	242,452,596	213,870,589
Promises to give - net	-	-	1,976,086	1,671,123
Notes receivable	-	-	296,894	388,311
Capital assets - net	402,221,498	400,527,308	5,545,157	5,832,157
Net OPEB asset	2,240,000	-	-	-
Other noncurrent assets	-	-	355,818	378,969
Total Noncurrent Assets	496,430,576	482,946,966	269,003,151	234,139,509
TOTAL ASSETS	\$ 545,195,700	\$ 537,832,586	\$ 298,519,272	\$ 258,955,369
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts on Refunding	4,400,291	4,737,207	-	-
Total Deferred Outflows of Resources	4,400,291	4,737,207	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 549,595,991	\$ 542,569,793	\$ 298,519,272	\$ 258,955,369

See notes to financial statements

Continued

STATEMENT OF NET POSITION AS OF JUNE 30, 2014 AND 2013

	University of Idaho 2014	University of Idaho 2013	University of Idaho Foundation (note 17) 2014	University of Idaho Foundation (note 17) 2013
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	4,898,768	\$ 3,041,758	\$ 70,922	\$ 159,899
Accrued salaries and benefits payable	21,488,099	26,678,613	-	-
Compensated absences payable	7,090,389	8,275,598	-	-
Trust earnings payable to trust beneficiaries	-	-	9,121,826	8,616,627
Accrued interest payable	1,875,807	1,867,078	-	-
State teacher education loan advance	250,620	247,444	-	-
Deposits	853,184	762,451	-	-
Unearned revenue	8,092,050	7,551,643	-	-
Funds held in custody for others	1,129,678	906,388	-	-
Current portion long-term liabilities	7,135,884	6,441,083	-	-
Other liabilities	137,356	-	-	-
Split interest agreements	-	-	926,831	1,004,212
Total Current Liabilities	52,951,834	55,772,056	10,119,579	9,780,738
NONCURRENT LIABILITIES				
Notes and bonds payable	151,063,950	159,202,208	-	-
Split interest agreements	-	-	5,477,962	5,757,568
Total Noncurrent Liabilities	151,063,950	159,202,208	5,477,962	5,757,568
TOTAL LIABILITIES	\$ 204,015,783	\$ 214,974,263	\$ 15,597,541	\$ 15,538,306
NET POSITION				
Net investment in capital assets	248,651,560	243,070,923	-	-
Restricted for:				
Nonexpendable	-	-	202,560,453	189,040,430
Expendable	31,913,431	28,851,316	74,414,683	49,327,121
Unrestricted	65,015,217	55,673,290	5,946,595	5,049,512
Total Net Position	345,580,208	327,595,529	282,921,731	243,417,063
TOTAL LIABILITIES AND NET POSITION	\$ 549,595,991	\$ 542,569,793	\$ 298,519,272	\$ 258,955,369

See notes to financial statements

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	University of Idaho 2014	University of Idaho 2013	University of Idaho Foundation (note 17) 2014	University of Idaho Foundation (note 17) 2013
OPERATING REVENUES				
Student tuition and fees (net of scholarship allowance of \$22,153,189 and \$21,333,219)	\$ 83,361,394	\$ 82,657,950	\$ -	\$ -
Federal grants and contracts	66,342,933	68,813,321	-	-
State and local grants and contracts	7,159,952	5,203,701	-	-
Private grants and contracts	4,937,125	3,881,344	-	-
Sales and services of educational activities	11,642,661	10,235,562	-	-
Sales and services of auxiliary enterprises	31,218,731	35,453,721	-	-
Interest on loans receivable	321,056	327,202	-	-
Other sources	4,200,739	2,983,307	438,281	192,422
Gifts	-	-	27,246,645	17,133,672
Total operating revenue	209,184,592	209,556,108	27,684,926	17,326,094
OPERATING EXPENSES				
Salaries	157,799,066	158,684,035	-	-
Benefits	55,196,667	58,408,947	-	-
Services	56,820,725	55,629,647	-	-
Supplies	21,888,166	22,996,698	-	-
Insurance, utilities and rent	15,308,861	13,752,540	-	-
Scholarships and fellowships	21,352,287	22,489,009	-	-
Depreciation	25,223,503	23,179,119	-	-
Other	7,289,834	6,339,711	71,908	68,258
Administrative expense	-	-	2,324,487	2,047,881
Total operating expenses	360,879,109	361,479,708	2,396,395	2,116,139
OPERATING (LOSS) INCOME	\$ (151,694,518)	\$ (151,923,599)	\$ 25,288,531	\$ 15,209,955

See notes to financial statements

Continued

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	University of Idaho 2014	University of Idaho 2013	University of Idaho Foundation (note 17) 2014	University of Idaho Foundation (note 17) 2013
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 109,403,934	\$ 105,845,666	\$ -	\$ -
Land grant endowment income	7,166,400	6,466,800	-	-
Federal appropriations	4,399,634	5,386,942	-	-
Federal grants and contracts	16,462,397	17,136,217	-	-
Gifts (including gifts from Foundation)	18,989,071	17,275,225	-	-
Net investment income	2,063,988	1,215,985	6,706,439	5,564,399
Net increase (decrease) in fair value of investments	2,019,084	(2,242,474)	28,401,434	17,483,581
Change in value of assets held in trust for University	-	6,131,306	-	(6,131,306)
Distribution of endowment income to University and trust beneficiaries	-	-	(9,158,572)	(8,616,627)
Distribution to University and affiliates	-	-	(11,780,663)	(9,059,759)
Distribution of trust income to life income beneficiaries	-	-	(708,350)	(702,154)
Lease and rental income	-	-	64,472	-
Property management	-	-	(51,101)	(2,776)
Change to split interest trusts	-	-	742,478	507,458
Interest expense (net of capitalized interest of \$289,280 and \$438,974 for FY 2014 and FY 2013 respectively)	(7,285,783)	(7,329,495)	-	-
Other sources	8,857,653	1,164,693	-	-
Net nonoperating revenues	162,076,378	151,050,864	14,216,137	(957,184)
GAIN (LOSS) BEFORE OTHER REVENUES	10,381,861	(872,735)	39,504,668	14,252,771
OTHER REVENUES				
Capital grants and contracts	46,586	1,353,360	-	-
Projects with Idaho Department of Public Works	5,023,343	5,185,086	-	-
Capital gifts from Foundation	2,532,889	766,963	-	-
Total other revenues	7,602,819	7,305,408	-	-
INCREASE IN NET POSITION BEFORE SPECIAL ITEM	17,984,680	6,432,673	39,504,668	14,252,771
SPECIAL ITEM - see Note 20	-	(80,990,338)	-	80,990,338
INCREASE IN NET POSITION	17,984,680	(74,557,665)	39,504,668	95,243,109
NET POSITION - Beginning of year (Previously reported)	327,595,528	403,590,875	-	-
Cumulative effect implementing GASBS 65	-	(1,437,682)	-	-
NET POSITION - Beginning of year	327,595,528	402,153,193	243,417,063	148,173,954
NET POSITION - End of year	\$ 345,580,208	\$ 327,595,528	\$ 282,921,731	\$ 243,417,063

See notes to financial statements

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	University of Idaho 2014	University of Idaho 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts and disbursements		
Tuition and fees	\$ 83,583,614	\$ 82,588,940
Grants and contracts	75,462,060	80,963,993
Sales of services - net	46,389,897	43,270,591
Payments to or for employees	(221,611,456)	(209,775,722)
Payments to suppliers	(96,124,038)	(100,961,447)
Scholarships disbursed	(21,352,287)	(22,489,009)
Funds held for others	223,290	663,042
Student loans collected	2,696,927	2,485,437
Student loans disbursed	(1,881,365)	(1,801,859)
Other receipts	3,684,927	1,120,018
Net cash used by operating activities	(128,928,431)	(123,936,016)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Appropriated general education revenues:		
State general account	109,403,934	105,791,467
Land grant endowment income	7,166,400	6,466,800
Federal Appropriations	4,449,948	5,386,942
Federal Grants and Contracts	16,462,397	17,136,217
Gifts	18,989,071	17,275,225
Other receipts	8,857,653	1,164,693
Net cash provided by noncapital financing activities	165,329,403	153,221,344
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State appropriations, capital	5,023,343	5,185,086
Capital grants and gifts	2,579,475	2,120,322
Capital asset purchases	(26,917,693)	(27,070,074)
Proceeds from capital debt	-	15,980,090
Principal paid on capital debt	(7,106,290)	(13,825,320)
Interest paid on capital debt	(7,277,054)	(7,392,964)
Net cash used by capital & related financing activities	(33,698,219)	(25,002,860)

See notes to financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	University of Idaho 2014	University of Idaho 2013
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	2,995,012	109,674,439
Investment income	2,063,988	1,215,985
Purchase of investments	(9,753,628)	(105,486,060)
Net cash provided (used) by investing activities	(4,694,628)	5,404,364
NET INCREASE IN CASH	(1,991,875)	9,686,832
Cash - Beginning of year	25,297,434	15,610,602
Cash - End of year	\$ 23,305,559	\$ 25,297,434
RECONCILIATION OF OPERATING LOSS TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (151,694,518)	\$ (151,923,599)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	25,223,503	23,179,119
Decrease (increase) in assets:		
Receivables, net	122,697	(1,492,439)
Inventories and prepaids	3,186,810	(2,191,441)
Net OPEB assets	(2,240,000)	-
Increase (decrease) in liabilities:		
Accounts payable	1,857,010	557,195
Accrued payroll, benefits and compensated absences	(6,375,723)	7,317,260
Deposits and deferred revenues	628,771	563,452
Change in funds held for others	223,290	663,042
Other liabilities	139,730	(608,605)
Net cash used by operating activities	\$ (128,928,431)	\$ (123,936,016)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Capital asset write-offs	\$ (126,872)	\$ (425,137)
Donated assets	101,497	204,179
Change in fair value of investments	2,141,865	(2,912,610)
Change in fair value of assets held in trust	-	6,131,306
Special Item - see Note 20	-	(80,990,338)

See notes to financial statements

STATEMENTS OF BENEFIT PLAN NET POSITION AS OF DECEMBER 31, 2013 AND 2012

	Retiree Benefits Trust 2013	Retiree Benefits Trust 2012	Health Benefits Trust 2013	Health Benefits Trust As Restated 2012
Assets				
Cash and short-term investments	\$ 705,491	\$ 837,798	\$ 193,438	\$ 230,034
Accounts receivable	-	-	800,000	528,300
Interest receivable	6	52	17,697	17,610
Investments, at fair value				
Fixed income securities	14,795,892	12,410,886	2,728,634	2,698,001
Equity securities	11,171,994	10,682,041	-	-
Total investments	<u>25,967,886</u>	<u>23,092,927</u>	<u>2,728,634</u>	<u>2,698,001</u>
 Total assets	 <u>\$ 26,673,383</u>	 <u>\$ 23,930,777</u>	 <u>\$ 3,739,769</u>	 <u>\$ 3,473,945</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 733,964	\$ 682,718
IBNR liability	<u>-</u>	<u>-</u>	<u>2,139,000</u>	<u>1,851,000</u>
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>2,872,964</u>	 <u>2,533,718</u>
 Net position held in trust for benefits	 <u>\$ 26,673,383</u>	 <u>\$ 23,930,777</u>	 <u>\$ 866,805</u>	 <u>\$ 940,227</u>

See notes to financial statements

STATEMENTS OF CHANGES IN BENEFIT PLAN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Retiree Benefits Trust 2013	Retiree Benefits Trust 2012	Health Benefits Trust 2013	Health Benefits Trust As Restated 2012
Additions				
Contributions				
Employer	\$ -	\$ 3,000,000	\$ 16,526,739	\$ 15,785,581
Plan members	-	-	5,189,034	4,646,405
Total contributions	-	3,000,000	21,715,773	20,431,986
Net investment (loss) income	2,795,289	2,280,294	(31,215)	79,780
Total additions	<u>2,795,289</u>	<u>5,280,294</u>	<u>21,684,558</u>	<u>20,511,766</u>
Deductions				
Insurance claim benefits	-	-	18,447,461	17,924,363
Change in IBNR	-	-	288,000	161,000
Administrative expenses	<u>52,683</u>	-	<u>3,022,519</u>	<u>2,894,260</u>
Total deductions	<u>52,683</u>	-	<u>21,757,980</u>	<u>20,979,623</u>
Net increase (decrease) in assets held in trust for benefits	2,742,606	5,280,294	(73,422)	(467,857)
Benefit plan net position, beginning of year	<u>23,930,777</u>	<u>18,650,483</u>	<u>940,227</u>	<u>1,408,084</u>
Benefit plan net position, end of year	<u>\$ 26,673,383</u>	<u>\$ 23,930,777</u>	<u>\$ 866,805</u>	<u>\$ 940,227</u>

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The University of Idaho (“University”) is a publicly-supported comprehensive land grant institution created in 1889 by a statute of the 15th territorial legislature and is part of the public system of higher education in the State of Idaho. The system is considered part of the State of Idaho financial reporting entity. The State Board of Education, appointed by the Governor and confirmed by the State Senate, directs the University. The significant accounting policies followed by the University are described below to enhance the usefulness of the financial statements to the reader.

The University of Idaho Foundation, Inc. (“Foundation”) is considered a component unit of the University as determined by GASB 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No.14, which requires reporting, as a component unit, an organization that raised and holds economic resources for the direct benefit of a governmental unit. The Foundation was established in 1970 to solicit financial support for the University of Idaho and to manage and invest the resulting charitable gifts. The Foundation is a separate 501(c)(3) corporation comprised of 25 members who serve as a self-perpetuating Board of Directors.

The Foundation receives all gifts to the University and transfers gifts to the donor-specified area within the University on a regular schedule. In addition, the Foundation manages the endowment funds in a pooled investment fund, Consolidated Investment Trust (“CIT”), and transfers a Board approved percentage of historical investment earnings to the University on an annual basis.

The Foundation also manages a number of split-interest agreements. These are contributions in the form of irrevocable charitable remainder trusts and charitable gift annuities. These gifts have been received from donors subject to obligations to pay stipulated amounts periodically to the donors or designated beneficiaries during their lifetimes or a period of years. These assets for which the Foundation serves as trustee are included in investments, and the present value of the estimated future payments to be made to the donors or other beneficiaries is included in the liabilities. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, amortization of the discount, or the estimated life of the trust.

The University of Idaho Health Benefits Trust (“HBT”) was established in June, 2007 in accordance with the State of Idaho Department of Insurance (“DOI”) requirements. The HBT receives the employer, employee and retiree contributions for the University’s self-insured health plan, and pays the medical, dental, mental health and vision claims, and corresponding administrative processing fees, associated with the health plan. In addition, the HBT maintains a balance sufficient to cover the actuarially-determined incurred-but-not-paid (“IBNP”) claims of the health plan, as well as DOI-required supplemental funding of 30% of the actuarially determined IBNP claims. The HBT is overseen by a group of four independent Trustees who are employed by the University. The Trustees are responsible for overseeing the investment of the Trust monies, and ensuring that the University adequately funds the HBT on an ongoing basis through the aforementioned contributions to allow payment of the ongoing claims. The HBT proceeds are managed on behalf of the Trustees by U.S. Bank.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

The University of Idaho Retiree Benefits Trust (“RBT”) was established in April, 2008 to fund the University’s actuarially-determined projected liability for its self-insured retiree health plan. The RBT is overseen by University of Idaho Administration and the Trust proceeds are managed on behalf of the University by Wells Fargo Bank.

The HBT and RBT both have December 31 fiscal year ends. The difference in the fiscal year end from the University does not materially impact the net position of the University.

Basis of Accounting — For financial statement purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. The University is presenting its financial statements in accordance with GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and GASB Statement 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, an amendment of GASB Statement No. 34.

Cash and Cash Equivalents — The University considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

Student Loans Receivable — Loans receivable from students bear interest at rates ranging from 3% to 5% and are generally repayable in installments to the University over a 5 to 10-year period commencing 6 or 9 months from the date of separation from the University. Collections on these student loans are primarily handled through a third party servicer.

Accounts Receivable — Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University’s grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories — All inventories are valued at the lower of first-in-first-out cost or market.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Investments — The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of the net change in fair value of investments in the statement of revenues, expenses, and changes in net assets.

Restricted Cash and Cash Equivalents — Cash and cash equivalents that are restricted to make debt service payments, maintain sinking or reserve funds, except for currently due payments, are classified as non-current assets in the statement of net assets.

Capital Assets — Capital Assets are stated at cost when purchased or constructed, or if acquired by gift, at the estimated fair value at the date of gift. For equipment, the University's capitalization policy includes all tangible items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, and land improvements that significantly increase the value or extend the useful life of the structure, are capitalized. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred. Depreciation is computed using the straight-line, composite method over the estimated useful lives of the assets, generally 20 to 40 years for buildings and building improvements, 20 years for improvements other than buildings, 10 years for library materials, and an average of 7 years for equipment. Depreciation is not computed on capitalized collections which include works of art, historical treasures, and various special collections comprising of anthropological, geological, entomological, musical, and wildlife subjects.

In fiscal year 2010, in accordance with the requirements and definitions of GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*, the University adopted a policy of capitalizing any intangible assets \$200,000 or greater in value that have an expected useful life of one year or longer. Depreciation on intangible assets is computed using the straight-line, composite method over the estimated useful lives of the assets, primarily consisting of computer software and licenses that generally have a useful life of 5 years. The University adopted this policy in compliance with the State of Idaho guidelines related to the requirements of implementation for GASB No. 51.

Compensated Absences — Employee vacation and compensatory time pay is accrued at year-end for financial statement purposes. Compensated absence costs are included in benefits expense in the statement of revenues, expenses, and changes in net assets.

Waivers — Tuition waivers, provided directly by the University for faculty and staff benefits, amounted \$1,103,700 and \$947,623 for the fiscal years ended 2014 and 2013, respectively.

Unearned Revenue — Unearned revenue includes amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Noncurrent Liabilities — Noncurrent liabilities primarily include (1) principal amounts of revenue bonds payable, and notes payable with contractual maturities greater than one year; and (2) estimated amounts for other liabilities that will not be paid within the next fiscal year.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Net Position — The University's net position is classified as follows:

Net Investment In Capital Assets: This represents the University's investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted—Nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted—Expendable: Restricted expendable net position includes resources for which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, investment income, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board for any lawful purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources, and then toward unrestricted resources.

Income Taxes — The University is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, per letter dated November 7, 1945. The University is also considered a Section 501(c)(3) corporation via letter from the Internal Revenue Service dated August 29, 1961. The University is subject to unrelated business income tax.

Classification of Revenues — The University has classified its revenues as either operating or non-operating according to the following criteria:

Operating Revenues: Operating revenues include revenues from activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state and local grants and contracts, and (4) interest on institutional student loans.

Nonoperating Revenues: Nonoperating revenues include revenues from activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations and investment income.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Scholarship Discounts and Allowances — Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance. Scholarship allowances for FY2014 and FY2013 are \$22,153,189 and \$21,333,219 respectively.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net position and disclosures regarding contingent assets and liabilities. Actual results could differ from those estimates.

New Accounting Standards — In March, 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement provides guidance to the University in defining those transactions which qualify as deferred outflows and deferred inflows, the reporting of which the GASB had previously promulgated in Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement No. 65 is required by the GASB to be applied retroactively to previous reporting periods. The University implemented Statement No. 65 for its fiscal year ending June 30, 2014. In compliance with this Statement, the University wrote off its previously reported deferred bond financing costs which appeared in the noncurrent assets section of the University's Statement of Net Position and also revised its financial statements for fiscal year 2013, for consistency purposes, as identified in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. In addition, the University's deferred amounts on refunding of bonds are now reported separately as deferred outflows in the Statement of Net Position. Prior to the adoption of Statement No. 65, these deferred amounts were previously reported as a component of the University's noncurrent notes and bonds payable.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement requires a governmental entity to disclose as a liability any obligation which that entity has guaranteed in a nonexchange transaction. Nonexchange transactions are those in which a governmental agency has extended financial guarantees for the obligation of another governmental agency, not-for-profit entity, or private entity without receiving equal or approximately equal value in exchange. The University has reviewed the requirements of Statement No. 70 and has found no transactions or exchanges in which this Statement would be applicable.

Reclassification — Certain items previously reported in the financial statements have been reclassified to conform to the current financial statement presentation.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are deposited with various financial institutions. Custodial credit risk on deposits is the risk that in the event of a bank failure, the University's deposits may not be returned to it. At June 30, 2014, \$13,720,006 of the University's bank balance of \$23,305,558 was exposed to custodial credit risk because it was uninsured and uncollateralized. At June 30, 2013, \$12,940,188 of the University's bank balance of \$25,297,434 was exposed to custodial credit risk because it was uninsured and uncollateralized.

3. INVESTMENTS

The general investment policy of the University as adopted by the State Board of Education is that investments in securities are to be made with the objectives of maximizing long-term total return, ensuring safety of principal, and providing satisfactory current income. Investment of cash shall be restricted to:

- FDIC passbook savings accounts.
- Certificates of deposit.
- U.S. securities.
- Federal funds repurchase agreements.
- Reverse repurchase agreements.
- Federal agency securities.
- Large money market funds.
- Banker's acceptances.
- Corporate bonds of Aa grade or better.
- Mortgage backed securities of Aa grade or better.
- Commercial paper of prime or equivalent grade.

In accordance with established investment policy, the University may invest in various mortgage-backed securities, such as collateralized mortgage obligations. These securities are recorded at fair value in the statement of net assets. Investment income, including change in fair value of investments, is recognized as revenue in the statement of revenues, expenses and changes in net assets.

The following table represents the fair value of investments by type at June 30, 2014 and June 30, 2013 respectively:

<u>Investment Type</u>	<u>Total Fair Value</u>	
	<u>As of June 30, 2014</u>	<u>As of June 30, 2013</u>
Corporate bonds	\$ 48,700,203	\$ 39,205,568
U.S. government agency securities	14,094,825	15,701,774
Mortgage/asset-backed securities	7,640,833	7,766,928
Money market mutual funds	697,017	688,324
U.S. government securities	1,007,415	-
Total	<u>\$ 72,140,293</u>	<u>\$ 63,362,594</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40, Deposit and Investment Risk Disclosure, as the risk a government may face should interest rate variances affect the fair value of investments. The University does not presently have a formal policy that addresses interest rate risk; however, it does incorporate weighted average maturity methodology in selecting and reporting its investments. As of June 30, 2014 and June 30, 2013 respectively, the University had the following investments subject to interest rate risk:

Investment Securities Subject to Interest Rate Risk at June 30, 2014

Investment Maturities in Years						
Investment Type	Total Fair Value	<1	1-5	6-10	11-15	>15
Corporate bonds	\$ 48,700,203	\$ -	\$ 2,241,760	\$ 45,925,102	\$ 533,341	\$ -
U.S. government agency securities	14,094,825	-	1,791,898	12,302,926	-	-
Mortgage/asset-backed securities	7,640,833	1,729,064	5,911,769	-	-	-
Money market mutual funds	697,017	697,017	-	-	-	-
U.S. government securities	1,007,415	601,282	-	406,132	-	-
Total	\$ 72,140,293	\$ 3,027,364	\$ 9,945,428	\$ 58,634,161	\$ 533,341	\$ -

Investment Securities Subject to Interest Rate Risk at June 30, 2013

Investment Maturities in Years						
Investment Type	Total Fair Value	<1	1-5	6-10	11-15	>15
Corporate bonds	\$ 39,205,568	\$ -	\$ 1,156,379	\$ 37,517,189	\$ 532,000	\$ -
U.S. government agency securities	15,701,774	601,940	6,365,906	8,733,928	-	-
Mortgage/asset-backed securities	7,766,928	-	7,766,928	-	-	-
Money market mutual funds	688,324	688,324	-	-	-	-
Total	\$ 63,362,594	\$ 1,290,264	\$ 15,289,213	\$ 46,251,117	\$ 532,000	\$ -

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. Statement No. 40 requires disclosure of credit quality ratings for investments in debt securities. The University does not presently have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued by standards set by Standard and Poor's.) As of June 30, 2014 and June 30, 2013 respectively, the University had the following investment credit risk:

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Investment Securities Subject to Credit Risk at June 30, 2014

Credit Rating	Corporate Bonds	U.S. Government Agency Securities	Mortgage/ Asset-Backed Securities	Money Market Mutual Funds	U.S. Government Securities	Total Investments
AAA	\$ 1,443,068	\$ -	\$ 1,729,064	\$ 697,017	\$ 601,282	\$ 4,470,432
AA	18,396,639	14,094,825	4,439,325	-	406,132	37,336,920
A	28,860,497	-	1,472,444	-	-	30,332,941
Total	\$ 48,700,203	\$ 14,094,825	\$ 7,640,833	\$ 697,017	\$ 1,007,415	\$ 72,140,293

Investment Securities Subject to Credit Risk at June 30, 2013

Credit Rating	Corporate Bonds	U.S. Government Agency Securities	Mortgage/ Asset-Backed Securities	Money Market Mutual Funds	U.S. Government Securities	Total Investments
AAA	\$ 1,365,990	\$ 601,940	\$ 1,764,479	\$ 688,324	\$ -	\$ 4,420,733
AA	10,389,075	15,099,834	4,518,438	-	-	30,007,347
A	27,450,503	-	1,484,011	-	-	28,934,514
Total	\$ 39,205,568	\$ 15,701,774	\$ 7,766,928	\$ 688,324	\$ -	\$ 63,362,594

Concentration of Credit Risk

Per Statement No. 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Governmental Accounting Standards Board has adopted a principle that governments should provide note disclosure when 5 percent of investments are concentrated in any one issuer. The University does not presently have a formal policy that addresses concentration of credit risk. As of June 30, 2014 and June 30, 2013, the University had the following concentration of credit risk:

Investment Securities Subject to Concentration of Credit Risk

	At June 30, 2014		At June 30, 2013	
	Total Fair Value	Percentage of Total Investments	Total Fair Value	Percentage of Total Investments
Federal National Mortgage Association (FNMA)	\$ 6,754,714	9.44%	\$ 9,499,085	14.99%
Federal Home Loan Mortgage Corporation (FHLMC)	5,760,687	8.05%	6,202,689	9.79%
General Electric Company	5,096,429	7.12%	5,014,423	7.91%
Total	\$ 17,611,830	24.61%	\$ 20,716,197	32.69%

Custodial Credit Risk

Custodial credit risk on investments is the risk that in the event of a failure of the counterparty, the University will not be able to recover the value of its investments that are in the possession of an outside party. The University does not presently have an investment policy that addresses custodial credit risk. At June 30, 2014 and June 30, 2013, all investments were held by the University or its counterparty in the University's name.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Risk and Uncertainties

Per Regents of University of Idaho policy, the University invests in various types of investment securities rated Aa or better. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, changes in the values of investments securities may occur in the near term and such changes could affect the amounts reported in the statement of financial position.

There is always existent risk and volatility in the domestic and international investment markets. Consequently, the fair value of the University's investments may be exposed to higher than typical price volatility which could result in a subsequent reduction in fair value of certain investments from the amounts reported as of June 30, 2014.

4. ACCOUNTS RECEIVABLE AND UNBILLED CHARGES

Receivables and unbilled charges consisted of the following at June 30, 2014 and June 30, 2013, respectively:

	2014	2013
Student tuition and fees, including Federal financial aid funds	\$ 5,301,661	\$ 4,783,666
Auxiliary enterprises	1,112,727	1,112,274
Educational activities	918,493	782,960
Federal appropriations	8,514	58,828
Grants and contracts	14,044,283	14,872,267
Due from Foundation	9,034,117	8,503,853
	<u>\$ 30,419,795</u>	<u>\$ 30,113,848</u>
Less allowance for doubtful accounts	(358,800)	(331,782)
	<u>\$ 30,060,995</u>	<u>\$ 29,782,066</u>
Net accounts receivable and unbilled charges	<u>\$ 30,060,995</u>	<u>\$ 29,782,066</u>

5. STUDENT LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program ("Program") comprise substantially all of the loans receivable at June 30, 2014 and June 30, 2013. Under this Program, the federal government provides approximately 67% of the funding for the Program with the University providing the balance. The Program provides for the cancellation of a loan at rates of 12.5% to 30% per year up to a maximum of 100% if the participant complies with certain provisions. The federal government reimburses the University for amounts cancelled under these provisions.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The allowance for uncollectible loans was \$1,945,568 for June 30, 2014 and \$1,918,382 at June 30, 2013.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

6. CAPITAL ASSETS

Capital assets at June 30, 2014 and 2013 consisted of the following:

	<u>Year ended June 30, 2014</u>				
	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Balance June 30, 2014</u>
Capital assets not being depreciated:					
Land	\$ 25,623,540	\$ 1,863,907	\$ 2,750	\$ -	\$ 27,490,197
Capitalized collections	2,306,524	17,930	-	(6,866)	2,317,588
Equipment construction in progress	724,149	1,398,738	(1,351,158)	(27,699)	744,030
Construction in progress	2,651,414	4,941,105	(1,084,662)	(19,991)	6,487,866
Total capital assets not being depreciated	<u>\$ 31,305,627</u>	<u>\$ 8,221,680</u>	<u>\$ (2,433,070)</u>	<u>\$ (54,556)</u>	<u>\$ 37,039,681</u>
Capital assets being depreciated:					
Buildings	\$ 506,766,999	\$ 9,021,599	\$ 939,978	\$ (1,236,326)	\$ 515,492,250
Other improvements	56,008,687	1,896,979	141,934	-	58,047,600
Furniture and equipment	92,428,979	3,824,521	1,351,158	(2,076,511)	95,528,147
Library materials	78,891,878	4,177,431	-	(355,972)	82,713,337
Total capital assets being depreciated	<u>734,096,543</u>	<u>18,920,530</u>	<u>2,433,070</u>	<u>(3,668,809)</u>	<u>751,781,334</u>
Less accumulated depreciation:					
Buildings	(192,764,000)	(13,955,582)	-	1,153,636	(205,565,946)
Other improvements	(33,598,580)	(2,375,002)	-	-	(35,973,582)
Furniture and equipment	(77,031,059)	(5,213,710)	-	1,989,240	(80,255,529)
Library materials	(61,481,223)	(3,679,209)	-	355,972	(64,804,460)
Total accumulated depreciation	<u>(364,874,862)</u>	<u>(25,223,503)</u>	<u>-</u>	<u>3,498,848</u>	<u>(386,599,517)</u>
Capital assets being depreciated—net	<u>\$ 369,221,681</u>	<u>\$ (6,302,973)</u>	<u>\$ 2,433,070</u>	<u>\$ (169,961)</u>	<u>\$ 365,181,817</u>
Capital assets summary:					
Capital assets not being depreciated	\$ 31,305,627	\$ 8,221,680	\$ (2,433,070)	\$ (54,556)	\$ 37,039,681
Capital assets being depreciated	<u>734,096,543</u>	<u>18,920,530</u>	<u>2,433,070</u>	<u>(3,668,809)</u>	<u>751,781,334</u>
Total cost of capital assets	765,402,170	27,142,210	-	(3,723,365)	788,821,015
Less accumulated depreciation	<u>(364,874,862)</u>	<u>(25,223,503)</u>	<u>-</u>	<u>3,498,848</u>	<u>(386,599,517)</u>
Capital assets—net	<u>\$ 400,527,308</u>	<u>\$ 1,918,707</u>	<u>\$ -</u>	<u>\$ (224,517)</u>	<u>\$ 402,221,498</u>

In addition to accounts payable for construction in progress, the estimated cost to complete property authorized or under construction at June 30, 2014 is approximately \$57,676,000 including capitalized bond interest costs of \$289,280. These CIP costs will be borne by the University and supplemented with additional funds provided by state appropriations, gifts, grants and contracts, and/or long-term borrowings.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

	<u>Year ended June 30, 2013</u>				<u>Balance June 30, 2013</u>
	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	
Capital assets not being depreciated:					
Land	\$ 19,375,352	\$ 6,247,488	\$ 700	\$ -	\$ 25,623,540
Capitalized collections	2,258,593	47,931	-	-	2,306,524
Equipment construction in progress	258,546	889,911	(413,297)	(11,011)	724,149
Construction in progress	<u>7,762,746</u>	<u>1,483,071</u>	<u>(6,236,761)</u>	<u>(357,642)</u>	<u>2,651,414</u>
Total capital assets not being depreciated	<u>\$ 29,655,237</u>	<u>\$ 8,668,401</u>	<u>\$ (6,649,358)</u>	<u>\$ (368,653)</u>	<u>\$ 31,305,627</u>
Capital assets being depreciated:					
Buildings	\$ 493,913,741	\$ 7,974,594	\$ 5,430,549	\$ (551,885)	\$ 506,766,999
Other improvements	54,219,158	992,547	796,982	-	56,008,687
Furniture and equipment	88,596,424	5,603,534	421,827	(2,192,806)	92,428,979
Library materials	<u>74,853,611</u>	<u>4,371,485</u>	<u>-</u>	<u>(333,218)</u>	<u>78,891,878</u>
Total capital assets being depreciated	<u>711,582,934</u>	<u>18,942,160</u>	<u>6,649,358</u>	<u>(3,077,909)</u>	<u>734,096,543</u>
Less accumulated depreciation:					
Buildings	(181,539,860)	(11,771,242)	-	547,102	(192,764,000)
Other improvements	(31,316,855)	(2,281,725)	-	-	(33,598,580)
Furniture and equipment	(73,451,043)	(5,605,772)	-	2,025,756	(77,031,059)
Library materials	<u>(58,294,061)</u>	<u>(3,520,380)</u>	<u>-</u>	<u>333,218</u>	<u>(61,481,223)</u>
Total accumulated depreciation	<u>(344,601,819)</u>	<u>(23,179,119)</u>	<u>-</u>	<u>2,906,076</u>	<u>(364,874,862)</u>
Capital assets being depreciated—net	<u>\$ 366,981,115</u>	<u>\$ (4,236,959)</u>	<u>\$ 6,649,358</u>	<u>\$ (171,833)</u>	<u>\$ 369,221,681</u>
Capital assets summary:					
Capital assets not being depreciated	\$ 29,655,237	\$ 8,668,401	\$ (6,649,358)	\$ (368,653)	\$ 31,305,627
Capital assets being depreciated	<u>711,582,934</u>	<u>18,942,160</u>	<u>6,649,358</u>	<u>(3,077,909)</u>	<u>734,096,543</u>
Total cost of capital assets	741,238,171	27,610,561	-	(3,446,562)	765,402,170
Less accumulated depreciation	<u>(344,601,819)</u>	<u>(23,179,119)</u>	<u>-</u>	<u>2,906,076</u>	<u>(364,874,862)</u>
Capital assets—net	<u>\$ 396,636,352</u>	<u>\$ 4,431,442</u>	<u>\$ -</u>	<u>\$ (540,486)</u>	<u>\$ 400,527,308</u>

7. ACCOUNTS PAYABLE

Accounts payable consisted of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Operating activities	\$4,885,213	\$3,014,493
Taxes payable	13,555	27,265
Total accounts payable and accrued liabilities	<u>\$4,898,768</u>	<u>\$3,041,758</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

8. OPERATING LEASES

The University has entered into various non-cancellable operating lease agreements covering certain equipment. The lease terms range from one to five years. The expense for operating leases was \$4,002,800 for the year ended June 30, 2014 and \$3,577,693 for the year ended June 30, 2013.

Future minimum lease payments on noncancellable leases at June 30, 2014 are as follows:

FY2015	\$ 3,245,737
FY2016	32,289
FY2017	28,623
FY2018	18,476
FY2019	1,892
Total future minimum obligation	<u>\$ 3,327,017</u>

9. LONG-TERM LIABILITIES

Long-term liability activity for years ended June 30, 2014 and 2013 is as follows:

	Ending Balance June 30, 2013	Additions	Reductions	Ending Balance June 30, 2014	Amounts Due within One Year
Bonds, Notes and Capital Lease Obligations:					
Bonds Payable	\$ 160,365,000	\$ -	\$ 5,325,000	\$ 155,040,000	\$ 6,195,000
Notes Payable	2,458,461	-	1,727,905	730,556	697,859
Capital Lease Obligations	147,531	125,847	273,378	-	-
	162,970,992	125,847	7,326,283	155,770,556	6,892,859
Premium on Bonds	2,672,553	-	243,275	2,429,278	243,025
Totals	<u>\$ 165,643,545</u>	<u>\$ 125,847</u>	<u>\$ 7,569,558</u>	<u>\$ 158,199,834</u>	<u>\$ 7,135,884</u>

	Ending Balance June 30, 2012	Additions	Reductions	Ending Balance June 30, 2013	Amounts Due within One Year
Bonds, Notes and Capital Lease Obligations:					
Bonds Payable	\$ 155,795,000	\$ 15,070,000	\$ 10,500,000	\$ 160,365,000	\$ 5,325,000
Notes Payable	5,301,487	-	2,843,276	2,458,210	725,527
Capital Lease Obligations	287,702	-	140,171	147,531	147,530
	161,384,189	15,070,000	13,483,447	162,970,741	6,198,057
Premium on Bonds	2,746,197	653,624	727,267	2,672,553	243,026
Totals	<u>\$ 164,130,386</u>	<u>\$ 15,723,624</u>	<u>\$ 14,210,714</u>	<u>\$ 165,643,294</u>	<u>\$ 6,441,083</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

10. NOTES AND BONDS PAYABLE

Notes and bonds payable consisted of the following at June 30, 2014 and 2013:

Description	Balance Outstanding 2014	Balance Outstanding 2013
General Revenue Refunding Bonds, Series 2005A, (original balance of \$30,740,000), consisting of bonds due in annual installments commencing in 2005 and fluctuating periodically from \$790,000 to a maximum of \$2,265,000, plus interest from 4.00% to 5.00% through the year 2026, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. Revenues pledged to the Recreation Center Bonds and to the Activity Center Bonds are pledged to the 2005A bonds on a subordinate basis until the retirement of the Recreation Center Bonds and Activity Center Bonds. The Series 2005A bonds were issued to advance refund the Series 1996 Student Fee Revenue Bonds (Telecommunications Infrastructure Facilities Project) in the principal amount of \$2,700,000, to advance refund the Series 1997 Student Fee Revenue Bonds (University Commons Project) in the principal amount of \$12,965,000, to advance refund the Series 1997 Student Fee Revenue Bonds (University Commons Supplemental Project) in the principal amount of \$4,120,000, to advance refund the Series 1999C Student Fee Revenue Bonds (University Infrastructure and Facilities Improvement Projects) in the principal amount of \$4,065,000, to advance refund all of the outstanding Series 1999D Student Fee Revenue Bonds (Kibbie and Enrollment Services Centers Improvement Projects) in the principal amount of \$6,020,000, to fund the debt service reserve account, and to pay bond issuance expenses.	22,285,000	24,060,000
General Revenue Bonds, Series 2007B, (original balance of \$35,035,000), consisting of bonds due in annual installments, commencing in 2015 and fluctuating periodically from \$200,000 to a maximum of \$34,235,000 plus interest from 4.25% to 4.50% through the year 2041, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2007B bonds were issued to finance certain electrical upgrades and to fund capital maintenance and replacement of the University's utility corridor, central steam plant and central chiller, and related improvements located on the University's main campus.	35,035,000	35,035,000

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Description	Balance Outstanding 2014	Balance Outstanding 2013
General Revenue Refunding Bonds, Series 2010A, (original balance of \$10,230,000), consisting of serial bonds due in annual installments commencing in 2011 and fluctuating periodically from \$585,000 to a maximum of \$2,075,000, plus interest from 2.25% to 5.00% through the year 2016, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010A bonds were issued to refund the Series 1996 Student Fee Refunding Revenue Bonds in the principal amount of \$3,125,000 and to refund the Series 1997B Student Fee Refunding Revenue Bonds in the principal amount of \$7,290,000.	2,700,000	3,975,000
General Revenue Refunding Bonds, Series 2010B, (original balance of \$10,150,000), consisting of term bonds due beginning in 2024 and fluctuating periodically from \$1,660,000 to a maximum of \$2,430,000, plus interest from 4.01% to 4.65% through the year 2032, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010B bonds were issued to pay off an interim loan from Wells Fargo Bank, N.A. which funded improvements to the University's Kibbie Dome.	10,150,000	10,150,000
General Revenue Refunding Bonds, Series 2010C, (original balance of \$13,145,000), consisting of term bonds due beginning in 2037 with two payments of \$6,390,000 and \$6,755,000, plus interest from 6.42% to 6.52% through the year 2041, collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2010C bonds were issued to finance and reimburse costs incurred by the University for certain capital improvements to the University's Kibbie Dome. The 2010C bonds are subject to interest subsidy payments thru the U.S. Federal Government's program called Build America Bonds (BAB). The University received BAB interest subsidy payments of \$274,063 in FY14 and \$297,732 in FY13.	13,145,000	13,145,000
Adjustable Rate General Revenue Refunding Bonds, Series 2011, (original balance of \$60,765,000), consisting of term bonds carrying interest at 5.25% through March 31 st , 2021, at which time the bonds are subject to mandatory tender for purchase. The bonds may be converted to another term interest period through 2041. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2011 bonds were issued to refund the University's Series 2007A General Revenue Refunding Bonds and to pay the costs of issuance of the Series 2011 bonds.	57,940,000	58,930,000

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Description	Balance Outstanding 2014	Balance Outstanding 2013
General Revenue and Refunding Bonds, Series 2013A, (original balance of \$8,745,000), consisting of serial bonds commencing in 2014, plus interest from 2.00% to 5.00% through 2028, and term bonds due 2033, plus interest at 3.375%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2013A bonds were issued to provide funds to finance certain improvements at the Moscow Campus of the University, to refund all outstanding Series 2003 Student Fee Refunding and Revenue Bonds, to refund the University's 2010 Wells Fargo note payable issued to fund the University's prior track and field renovations, and to pay costs of issuance associated with the Series 2013A Bonds.	7,720,000	8,745,000
Taxable General Revenue Bonds, Series 2013B, (original balance of \$6,325,000), consisting of serial bonds commencing in 2014, plus interest from 0.70% to 4.00% through 2030, and term bonds due 2033, plus interest at 4.30%. The bonds are collateralized by a pledge of all revenues of the University with the exception of general account appropriated funds of the State of Idaho and restricted gift and grant revenues. The Series 2013B were issued to provide funds to finance and reimburse costs incurred by the University to acquire land for an outdoor science center in McCall, Idaho and to pay costs associated with the issuance of the Series 2013B Bonds.	6,065,000	6,325,000
Other indebtedness, consisting of notes payable with interest rates ranging from 3.245% to 5.00% due through the year 2019.	730,556	2,458,210
Sub-total	155,770,556	162,823,210
Premium on Bonds	2,429,278	2,672,551
TOTAL BONDS & NOTES PAYABLE	\$ 158,199,834	\$ 165,495,761

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Principal and interest maturities on bonds and notes payable, excluding amortization of bond premium and principal and interest on bonds subject to an in-substance debt defeasance are as follows for the years ending June 30:

	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2015	6,195,000	7,236,000	697,859	20,048
2016	6,460,000	6,964,000	9,658	1,592
2017	4,445,000	6,679,000	10,141	1,109
2018	4,620,000	6,488,000	10,648	602
2019	4,635,000	6,037,000	2,250	70
2020-2024	19,080,000	27,143,000	-	-
2025-2029	20,300,000	21,877,000	-	-
2030-2034	18,995,000	15,669,000	-	-
2035-2039	21,950,000	8,559,000	-	-
2040-2044	48,360,000	1,120,000	-	-
	<u>\$ 155,040,000</u>	<u>\$ 107,772,000</u>	<u>\$ 730,556</u>	<u>\$ 23,421</u>

In August 2010, the University entered into a line of credit agreement with Wells Fargo Bank to finance improvements to the Dan O'Brien Outdoor Track and Field Complex. The total available line of credit extended to the University under this agreement was \$2,500,000. This note was refinanced with the Series 2013A bond issuance.

Pledged Revenues – As stated in the bond descriptions above, the University has pledged certain revenues as collateral for debt instruments comprised of all outstanding University bond issuances. The pledged revenue amounts for the year ended June 30, 2014 and 2013 are as follows:

	<u>FY14</u>	<u>FY13</u>
Source of Pledged Revenues		
Student Fees	83,361,394	\$ 82,657,950
Sales and Services of Educational Activities	11,642,661	10,235,562
Sales and Services of Auxiliary Enterprises	31,218,731	35,453,722
Other Operating Revenues	4,200,739	2,983,307
Investment Income	1,832,991	1,218,954
F&A Recovery Revenues	9,815,977	10,408,306
Total Pledged Revenues	\$ 142,072,494	\$ 142,957,801
Debt Service on the Recreation Center Bonds and Activity Center Bonds	125,003	170,317
Revenues Available for Debt Service	\$ 141,947,491	\$ 142,787,483
Debt Service on Bonds	12,909,568	12,720,128
Debt Service Coverage	11.0	11.2

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Debt Defeased Through Advance Refunding – The University has defeased certain debt obligations through advanced refunding. These advance refundings are comprised of the University's Series 2005A, Series 2007A, 2010A, 2011 and 2013A bond issuances. The specific debt, principal payments, refunded amounts and remaining balances for the refunded bonds are as follows:

Refunded Issue	Original Issue Amount	Principal Payments	Refunded Amount	Balance 6/30/2014
Student Fee Refunding Revenue Bonds, Series 1996	\$ 9,285,000	\$ 6,160,000	\$ 3,125,000	\$ -
Student Fee Refunding Revenue Bonds, Series 1997B	12,380,000	5,090,000	7,290,000	-
Student Fee Revenue Bonds (Recreation Center Project), Series 1999	20,115,000	795,000	19,320,000	-
Student Fee Revenue Bonds, Series 1999A	1,470,000	295,000	1,175,000	-
Student Fee Revenue Bonds, Series 1999B	6,150,000	1,180,000	4,970,000	-
Student Fee Revenue Bonds, Series 1999C	6,305,000	2,240,000	4,065,000	-
Student Fee Revenue Bonds, Series 2001	40,930,000	2,895,000	38,035,000	-
Student Fee Refunding and Revenue Bonds, Series 2003	17,585,000	12,040,000	5,545,000	-
General Revenue Refunding Bonds, Series 2007A	62,445,000	2,945,000	59,500,000	-
Totals	\$ 176,665,000	\$ 33,640,000	\$ 143,025,000	\$ -

During the year ended June 30, 2013, the University issued the Series 2013A bonds in the total amount of \$8,745,000 consisting of serial bonds due in annual installments commencing in 2014 and one term bond due in 2033 with interest rates ranging from 2.00% to 5.00% through fiscal year 2033. The Series 2013A bonds were issued, in part, to advance refund 100% of the outstanding balance of \$5,545,000 of the Series 2003 bonds. For this purpose, the Series 2013A bonds totaled \$5,270,000 in par amount. The refunded Series 2003 bonds had interest rates ranging from 4.00% to 5.25% through fiscal year 2022. All bond premium, accrued interest and certain closing costs in the amount of \$131,877 were refinanced in the issuance of the Series 2013A bonds.

The Series 2013A bond issuance was undertaken by the University to restructure the existing Series 2003 bond's total debt service (principal and interest) payment terms and to secure new fixed interest rates of 2.00% to 5.00% for the succeeding nine year period. Due to an upfront savings strategy, in fiscal year 2014, the refunding of the Series 2003 bonds will result in cash flow savings of \$488,041 based on the reduced debt service payments during that period.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

11. HEALTH INSURANCE PLAN AND HEALTH BENEFITS TRUST

The University of Idaho (“University”) is self-insured for the health insurance benefits it provides to employees and retirees. In June, 2007, the University established an affiliated but independent trust for the purpose of funding and paying its medical, mental health, dental and vision claims and their associated administrative costs under its health insurance plan for both active and retired employees. This trust, known as the University of Idaho Health Benefits Trust (“HBT”), was established as a tax-exempt entity under Section 115(1) of the Internal Revenue Code of 1986, as amended. The HBT is administered by a board of four trustees who are members of the University’s active staff and faculty. The HBT is maintained in an independent trust account established with U.S. Bank. This trust account is maintained under the sole control of the HBT board of trustees.

The HBT receives its funding for the payment of University health plan claims through a combination of employer, employee and retiree contributions. These contribution amounts are established in advance of the health plan year based upon independent actuarial valuation which takes into account health plan participant demographics, health plan design, expected health claim costs, and expected investment returns on HBT reserves.

Employer and employee contributions are made to the HBT on a bi-weekly basis corresponding to the University’s payroll schedule. Retiree contributions are billed, collected, and remitted to the University by a third-party administrator on a monthly basis and are submitted to the HBT when received. Additional employer funding may be provided by the University to the HBT as necessary to ensure the solvency of the HBT. Deposits into the HBT are irrevocable and may only be utilized for the payment of participating employee and retiree health plan claims, the associated administrative costs of such claims, and other necessary incidental costs attributable to the administration of the HBT.

Payments under the HBT are initiated via electronic request by University personnel on a weekly basis based upon processed claim information provided to the University by its contracted health plan claim administrators. All retiree-related costs incurred on an annual basis within the HBT apply toward the calculation of the University’s Annual Required Contribution (“ARC”) as determined under the requirements of Governmental Accounting Standard Board Statement 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” The funding of the University’s liability under GASB 45 is recorded separately from the HBT under a second trust, the “University of Idaho Retiree Benefits Trust” as disclosed in Footnote 14 of these financial statements.

The financial statements of the HBT are audited annually on a calendar-year basis, and are publicly available via public records request by writing to: University of Idaho, Attn. General Accounting, 875 Perimeter Drive MS3166, Moscow, ID 83844-3166.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

12. RETIREMENT PLANS

Public Employee Retirement System of Idaho – The Public Employee Retirement System of Idaho (“PERSI”), a cost-sharing multiple-employer public retirement system, was created by the Idaho State Legislature. PERSI provides benefits based on members’ years of service, age, and compensation. In addition, benefits are provided for disability or death, and for survivors of eligible members or beneficiaries. It is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. The benefits and obligations to contribute to the plan were established and may be amended by the Idaho State Legislature. Financial reports for the plan are available from PERSI upon request sent to Public Employee Retirement System of Idaho, P.O. Box 83720, Boise, Idaho 83720-0078. Alternatively, financial reports may also be viewed from the PERSI website (http://www.persi.idaho.gov/investments/annual_financial_report.cfm).

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 2% of the average monthly salary for the highest consecutive 42 months.

For the three years ended June 30, 2014, 2013 and 2012, the required contribution rate as determined by PERSI was 11.32% and 6.79% of covered payroll for the University and employees, respectively. The University’s contributions required and paid were \$5,627,928, \$5,262,492, and \$5,217,910 for the years ended June 30, 2014, 2013 and 2012, respectively.

Optional Retirement Plan – Effective July 1, 1990, the Idaho State Legislature authorized the Board of Regents to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by and may be amended by the State of Idaho.

New faculty and exempt employees hired July 1, 1990 or thereafter automatically enroll in the ORP and select their vendor option. Faculty and exempt employees hired before July 1, 1990 had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options include Teachers Insurance and Annuity Association – College Retirement Equities Fund and Variable Annuity Life Insurance Company.

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age. The contribution requirements (and amounts paid) for the three years ended June 30, 2014, 2013 and 2012 were \$13,820,699, \$13,718,868, and \$13,299,794, respectively, that consisted of \$7,884,035 from the University and \$5,936,664 from employees for 2014, \$7,829,148 from the University and \$5,889,720 from employees for 2013, and \$7,593,175 from the University and \$5,706,619 from employees for 2012.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Although enrollees in the ORP no longer belong to PERSI, the University is required by the State of Idaho to contribute supplemental payments to PERSI for these enrollees in the amount of 1.49% of the annual covered payroll. The University will be required to make these annual supplemental payments through July 1, 2025. During the three years ended June 30, 2014, 2013 and 2012, these supplemental funding payments made to PERSI were \$1,269,127, \$1,250,386, and \$1,223,679 respectively. These supplemental amounts are not included in the regular University PERSI contribution discussed previously.

In addition to the University's Optional Retirement Program, the University has a disability benefit for ORP participants and makes payments to Standard Insurance on behalf of these ORP participants. Should an employee become unable to work and is transitioned into long-term disability (LTD), the insurance will continue to pay into their retirement account. The amounts paid for the three years ended June 30, 2014, 2013 and 2012 were \$79,791, \$67,554, and \$65,043, respectively.

The University also contributes to the federal Civil Service and Thrift Savings retirement programs on behalf of its federal employees. The contribution requirements (and amounts paid) for the three years ended June 30, 2014, 2013 and 2012 were \$260,373, \$279,951 and \$188,674 respectively, that consisted of \$168,338 from the University and \$92,035 from employees for 2014, \$177,585 from the University and \$102,366 from employees for 2013, and \$143,208 from the University and \$45,466 from employees for 2012.

The University also sponsors 401(k), 403(b) and 457(b) supplemental retirement plans for its employees. Contributions to these plans are strictly voluntary for employees and such contributions are subject to the applicable plan limitations. The University does not provide any matching contributions for these plans.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

13. POSTEMPLOYMENT BENEFITS (OTHER THAN PENSIONS) AND RETIREE BENEFITS TRUST

A. PLAN DESCRIPTION

The University of Idaho (“University”) provides medical and dental benefits to eligible retirees, disabled employees, spouses, and survivors. The University also provides life insurance benefits to eligible retirees. Long-term disabled employees are treated as retirees and eligible for these same retiree benefits. These benefits represent a single-employer defined benefit plan administered by the University. The University has established a trust to fund the medical and dental portions of these post-employment benefits as described below in Section B.

Under certain conditions the University pays a portion of the coverage for retirees and disabled employees and the retiree or disabled employee pays the remainder. Spouses and survivors are always required to pay 100% of the cost for these benefits. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Employees who were hired on or after January 1, 2002 are not eligible for this benefit. Employees hired after January 1, 2002 are eligible to participate in the University’s health insurance plan, but the University does not cover any portion of their premiums, deductibles, or coinsurance; those costs are the sole responsibility of the employee. All University post-employment benefits may be further established or amended by the University or the State Board of Education.

Funding for these benefits is comprised of both University and retiree contributions, combined with appropriated funding by the State of Idaho. The University determines the defined contribution costs that will be borne by its retiree plan participants, and the State of Idaho Legislature determines the amount of annual state appropriations that will be granted to the University for employee and retiree benefits, provided to the University as a fixed annual amount per full-time equivalent employee. The University allocates this appropriated sum to its various employee and retiree benefits, including the retiree health insurance program. The University solely bears the risk for adverse financial performance within the retiree health insurance program, subject to a cap of \$200,000 per retiree per year, after which the University is reinsured. Retiree contribution rates through calendar year 2014 range from \$23.10 to \$2,417.57 per month, depending upon the retiree’s status and number of dependents including spouse. Retiree health plan performance is reviewed annually and contribution rates are then annually adjusted by the University as necessary.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

B. TRUST DESCRIPTION

The University of Idaho established the Retiree Benefits Trust (“RBT”) in 2008 to fund the future payments required to provide post-employment benefits other than pension (“OPEB”) as described in Section A. above. The RBT is an independent, irrevocable trust administered on behalf of the University by Wells Fargo Bank as trustee. Funding and payment of the annual, ongoing retiree medical and dental benefits under the University’s Health Benefits Trust (“HBT”), as described in Footnote 12 to these financial statements, do apply toward the funding of the RBT to meet the requirements of the Annual Contribution Rate (“ARC”).

The RBT financial statements are audited annually on a calendar-year basis as an integral part of the University’s annual audit as represented in these statements.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — Financial statements for the RBT are prepared using the accrual basis of accounting. University contributions are recorded and recognized in the period in which they are paid into the RBT.

Valuation of Investments – Investments are reported at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of the net change in fair value of investments in the statement of changes in plan assets.

D. PLAN MEMBERSHIP, CONTRIBUTION AND FUNDING STATUS

The number and class of retirees and employees are disclosed in the following table. These retiree and disabled counts do not include spouses or surviving spouses. These counts are as follows:

	Medical	Dental	Life	Sick Pay
Active	763	763	63	1,544
Retirees	840	210	714	N/A
Disableds	8	N/A	N/A	-
Retirees (Sick Leave)	N/A	N/A	N/A	15
Total Inactive	848	210	714	15
Total Combined	1,611	973	777	1,559

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

The University's ongoing obligations and liabilities are actuarially determined. These actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and are subject to continual revision based upon actual results. Actuarial projections of benefits are based upon the types of benefits provided under the University's retiree health plan and the pattern of cost sharing between the University and retirees at the time of valuation. The University's actuarial calculations are based upon long-term expectations and include techniques that are designed to reduce short-term volatility in the actuarial accrued liabilities and corresponding asset values.

The Entry Age Normal cost method and the Level Dollar amortization method have been utilized to actuarially calculate the University's Present Value of Benefits ("PVB"), Actuarial Accrued Liability ("AAL"), Annual Required Contribution ("ARC") and Annual OPEB Cost ("AOC") for the retiree health plan. Due to the University's establishment of the RBT to hold the funds required to finance its unfunded OPEB liability, the Unfunded Accrued Liability ("UAL") is amortized with interest over a 30-year period. All expected amortization payments are discounted to the end of the year. These actuarial calculations utilize an estimated discount rate of 6.25% and an estimated salary inflation rate of 3.00%. The discount rate of 6.25% is based upon the University's historical and long-term expected investment returns on the trust that has been established to fund these future benefits. All retiree medical, prescription drug, dental, sick pay conversion and life insurance benefits are included in the University's actuarial calculations. The results of these calculations for fiscal year ending June 30, 2014 are summarized as follows:

	<u>Entry Age Normal Level</u> <u>Dollar Cost Method</u>
Present Value of Benefits (PVB)	\$65,833,000
Actuarial Accrued Liability (AAL)	61,476,000
Annual Required Contribution (ARC) ¹	3,368,000
Estimated Pay-As-You-Go Contributions ²	2,712,000
Contributions to Qualifying Trust	<u>466,000</u>
Total Actual Annual Contributions	3,178,000
Net Annual OPEB Cost (AOC) - Funding Excess for Fiscal Year Ending June 30, 2014	(232,000)
Total Actual Annual Contributions as % of ARC	94.4%

¹The ARC reflects a 30-year level dollar amortization of the unfunded AAL. The amortization also reflects interest at the discount rate.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Annual OPEB Cost (AOC)

The University's Annual OPEB cost at June 30, 2014 is as calculated as follows:

	Fiscal Year Ending June 30, 2014				
	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Sick Pay</u>	<u>Total</u>
ARC	\$ 2,721,000	\$ 14,000	\$ 192,000	\$ 441,000	\$ 3,368,000
Adjustment to ARC	196,000	-	-	-	196,000
Interest on the Net Obligation	(154,000)	-	-	-	(154,000)
Annual OPEB Cost	<u>\$ 2,763,000</u>	<u>\$ 14,000</u>	<u>\$ 192,000</u>	<u>\$ 441,000</u>	<u>\$ 3,410,000</u>

Net OPEB Asset

The University's Net OPEB Asset as of June 30, 2014 is calculated as follows:

	Fiscal Year Ending June 30, 2014				
	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Sick Pay</u>	<u>Total</u>
AOC Needed	\$ 2,763,000	\$ 14,000	\$ 192,000	\$ 441,000	\$ 3,410,000
AOC Contributed	2,531,000	14,000	192,000	441,000	3,178,000
% of AOC Contributed	92%	100%	100%	100%	93%
Net OPEB (Assets) at June 30, 2013	(2,472,000)	-	-	-	(2,472,000)
Change in Net OPEB (Assets)	232,000	-	-	-	232,000
Net OPEB (Assets) at June 30, 2014	<u>\$(2,240,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(2,240,000)</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Funded Status, Utilizing Entry Age Normal Cost Method and Level Dollar Amortization Method of UAAL – As of June 30, 2014:

	Medical	Dental	Life	Sick Pay	Total
Present Value of Benefits (PVB)					
Retirees	\$35,642,000	\$124,000	\$4,075,000	\$192,000	\$40,033,000
Actives	<u>21,374,000</u>	<u>154,000</u>	<u>222,000</u>	<u>4,050,000</u>	<u>25,800,000</u>
Total	\$57,016,000	\$278,000	\$4,297,000	\$4,242,000	\$65,833,000
Actuarial Accrued Liability (AAL)					
Retirees	\$35,642,000	\$124,000	\$4,075,000	\$192,000	\$40,033,000
Actives	<u>19,503,000</u>	<u>143,000</u>	<u>219,000</u>	<u>1,578,000</u>	<u>21,443,000</u>
Total	\$55,145,000	\$267,000	\$4,294,000	\$1,770,000	\$61,476,000
Assets	<u>\$22,203,000</u>	<u>\$108,000</u>	<u>\$1,729,000</u>	<u>\$713,000</u>	<u>\$24,753,000</u>
Unfunded AAL (UAAL)	\$32,942,000	\$159,000	\$2,565,000	\$1,057,000	\$36,723,000
Assets as % of AAL (Funded Ratio)	40.3%	40.4%	40.3%	40.3%	40.3%
UAAL as % of Annual Covered Payroll	65.9%	0.3%	5.1%	1.3%	27.7%
Annual Required Contribution (ARC)					
Normal Cost ¹	\$263,000	\$2,000	\$1,000	\$362,000	\$628,000
Amortization of Unfunded AAL ²	<u>\$2,458,000</u>	<u>\$12,000</u>	<u>\$191,000</u>	<u>\$79,000</u>	<u>\$2,740,000</u>
Total ARC	\$2,721,000	\$14,000	\$192,000	\$441,000	\$3,368,000
Estimated Benefit Payments (pay-as-you-go) ³	\$2,245,000	\$48,000	\$354,000	\$65,000	\$2,712,000
Covered Payroll	\$50,018,000	\$50,018,000	\$50,018,000	\$82,759,000	\$132,777,000

¹Includes interest to year end.

²Level dollar basis for 30 years. Interest charged at the discount rate and paid at the end of the year.

The accompanying schedule of University contributions presents trend information about the amounts contributed to the plan by the University in comparison to the ARC, an amount that is actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the University and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the University and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation is as follows:

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

	Retiree Benefits Trust ("RBT")
Valuation Date	7/1/2013
Reporting Date	6/30/2014
Measurement Date	4/1/2014
Actuarial Cost Method	Entry Age Normal
Actuarial Amortization Method	Level Dollar to decrement age
Remaining Amortization Period	30 Years, Open
Asset Valuation Method	Fair Market Value

Actuarial Assumptions:

Investment Rate of Return	6.25%
Healthcare Cost Trend Rates:	
Medical and drug initial	8.5%
Medical and drug ultimate	5%
Dental initial	5%
Dental ultimate	5%
Inflation Rate - All Other	N/A
Administrative Costs - Medical & Dental	Included in Claim Costs
- Life Insurance	10%

Retiree Benefits Trust Required Supplementary Information Schedule of Funding Progress

Fiscal Year End Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll (b-a)/(c)
6/26/2008	4,325,000	83,011,000	78,686,000	5.21%	120,560,000	65.27%
6/27/2009	8,333,000	77,141,000	68,808,000	10.80%	129,435,000	53.16%
6/28/2010	13,768,000	75,973,000	62,205,000	18.12%	124,584,000	49.93%
6/29/2011	19,159,000	74,563,000	55,404,000	25.70%	121,834,000	45.47%
6/30/2012	21,774,000	73,240,000	51,466,000	29.73%	123,237,000	41.76%
6/30/2013	24,753,000	63,465,000	38,712,000	39.00%	123,592,000	31.32%
6/30/2014	28,271,000	61,476,000	33,205,000	45.99%	132,777,000	25.01%

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 7,157,000	101%
2009	6,362,000	101%
2010	5,863,000	116%
2011	5,250,000	107%
2012	4,806,000	108%
2013	3,723,000	110%
2014	3,368,000	94%

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

14. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION

The following table shows the University's operating expenses by natural classifications within their functional classifications for the years ending June 30, 2014 and 2013:

<u>Expenses 2014</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Services</u>	<u>Supplies</u>	<u>Ins, utilities & rent</u>	<u>Scholarships & Fellowships</u>	<u>Depreciation</u>	<u>Other</u>	<u>Totals</u>
Instruction	\$ 57,104,137	\$ 22,386,379	\$ 6,526,544	\$ 4,294,338	\$ 663,123	\$ 3,481,756	\$ -	\$ 2,143,431	\$ 96,599,708
Research	35,178,826	9,906,207	16,518,551	6,324,518	1,082,335	2,513,508	-	(974,163)	70,549,782
Public Service	15,413,872	5,175,502	6,032,692	1,346,807	385,231	254,600	-	2,322,719	30,931,423
Academic Support	8,450,613	2,644,064	1,535,321	1,291,072	677,932	(34,086)	-	292,783	14,857,699
Libraries	2,364,388	901,726	420,497	1,024,544	40	46,672	-	18,620	4,776,487
Student Services	7,078,213	2,438,822	1,288,471	459,367	389,729	585	-	1,029,187	12,684,374
Institutional Support	15,040,573	5,543,842	8,271,316	(817,525)	669,803	(506,291)	-	1,229,563	29,431,281
Plant Operations	6,593,052	3,005,791	2,416,137	2,579,320	9,143,497	4,450	25,223,503	33,800	48,999,550
Scholarships & Fellowships	492,808	340	122,970	39,919	-	14,185,199	-	285,155	15,126,391
Auxiliary Enterprises	10,082,584	3,193,994	13,688,226	5,345,806	2,297,171	1,405,894	-	908,739	36,922,414
	<u>\$ 157,799,066</u>	<u>\$ 55,196,667</u>	<u>\$ 56,820,725</u>	<u>\$ 21,888,166</u>	<u>\$ 15,308,861</u>	<u>\$ 21,352,287</u>	<u>\$ 25,223,503</u>	<u>\$ 7,289,834</u>	<u>\$ 360,879,109</u>

<u>Expenses 2013</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Services</u>	<u>Supplies</u>	<u>Ins, utilities & rent</u>	<u>Scholarships & Fellowships</u>	<u>Depreciation</u>	<u>Other</u>	<u>Totals</u>
Instruction	\$ 57,159,825	\$ 23,198,312	\$ 7,541,385	\$ 4,489,388	\$ 592,285	\$ 4,668,742	\$ -	\$ 2,247,741	\$ 99,897,678
Research	36,359,095	10,635,316	16,338,299	6,736,976	810,367	2,761,645	-	(1,589,888)	72,051,811
Public Service	14,559,354	5,226,852	4,997,666	1,130,164	340,221	1,008,118	-	2,476,168	29,738,543
Academic Support	8,074,917	2,688,957	1,734,763	944,656	168,195	67,292	-	253,356	13,932,134
Libraries	2,422,268	970,845	550,187	617,824	4,195	71,145	-	9,385	4,645,849
Student Services	7,496,087	2,717,716	1,424,774	512,215	299,275	59,747	-	896,812	13,406,627
Institutional Support	14,976,417	6,447,412	6,368,888	(1,385,548)	341,471	(916,025)	-	735,495	26,568,110
Plant Operations	6,838,115	3,081,940	2,773,625	2,628,075	8,942,665	24,680	23,179,119	108,534	47,576,754
Scholarships & Fellowships	619,712	6,213	160,548	19,238	-	13,381,810	-	202,359	14,389,880
Auxiliary Enterprises	10,178,246	3,435,384	13,739,512	7,303,710	2,253,865	1,361,855	-	999,751	39,272,322
	<u>\$ 158,684,035</u>	<u>\$ 58,408,947</u>	<u>\$ 55,629,647</u>	<u>\$ 22,996,698</u>	<u>\$ 13,752,540</u>	<u>\$ 22,489,009</u>	<u>\$ 23,179,119</u>	<u>\$ 6,339,711</u>	<u>\$ 361,479,708</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

15. CONTINGENCIES AND LEGAL MATTERS

Revenue from federal research and service grants includes amounts for the recovery of overhead and other costs allocated to these projects. The University may be required to make refunds of amounts received for overhead and other costs reimbursed as a result of audits by agencies of the federal government. The University considers any such potential refunds likely to be immaterial.

The University is a defendant in litigation arising from the normal course of operations. Based on present knowledge, the University's administration believes any ultimate liability in these legal matters will not materially affect the financial position of the University.

16. RISK MANAGEMENT

The University participates in the State of Idaho's risk and insurance program, which includes liability and property coverage. The State of Idaho's Retained Risk Fund has a \$500,000 cap for tort claims. The University's premiums are based on the State's actuarial calculations and are weighted for losses sustained by the University. Deductibles for the programs include \$2,000 for property losses, \$500 for auto physical damage, \$5,000 for boiler and machinery losses, \$500 for fine art losses and \$50 for inland marine losses. There are no casualty deductibles.

The State Fund of Idaho, a competitive state fund, writes the University's Worker's Compensation coverage. The University's premiums and the State Fund loss experience modifications are based on the loss experience of all State agencies.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

17. COMPONENT UNIT

The University of Idaho Foundation, Inc. (Foundation) is a legally separate, 501(c)(3) component unit of the University of Idaho (University) which was established in 1970. The mission of the University of Idaho Foundation, Inc. Moscow, Idaho is to secure, manage, and distribute private support to enhance the growth and development of the University of Idaho. A Board of Directors comprised of up to 25 members governs and conducts the business of the Foundation, meeting three to four times each fiscal year. The officers of the Foundation are Chairman, Vice-Chairman, Treasurer, Secretary, and Past Chairman. Committees include: the Executive Committee, Committee on Directors, Operations and Finance Committee, Investment Committee, Audit Committee, Gift Acceptance Committee, and other committees appointed by the Chairman as necessary to carry out the business of the Foundation. An Executive Director manages the operations of the Foundation. The Foundation professional staff also includes the Director of Finance; Director, Endowment and Gift Administration; Assistant Director, Finance; a Financial Specialist and support staff. The Foundation strategically partners with the leadership team at the University of Idaho including the President, the Vice President of University Advancement, the Vice President for Finance and Administration, and the Executive Director of Planning and Budget. Separate audited financial statements are prepared by the Foundation and may be obtained by contacting University of Idaho Foundation, PO Box 443143, Moscow, Idaho 83844-3143.

The majority of the resources, or income earned from those resources, that the Foundation holds and invests are restricted to the activities of the University by donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University and because these resources provide a significant amount of support to the University, the Foundation has been determined to be a component unit of the University and is discretely presented in the University's financial statements. Significant accounting policies associated with the University, described in Note 1, apply to the Foundation, when applicable. Significant disclosures at June 30, 2014 and 2013 are as follows:

INVESTMENTS—Investments in marketable securities are recorded at fair value as determined by quoted market prices. At June 30, 2014, the fair value of restricted and unrestricted investments was \$250,947,165 and \$4,262,866 respectively. At June 30, 2013, the fair value of restricted and unrestricted investments was \$221,713,115 and \$3,495,776 respectively.

The majority of investments held by the Foundation are part of the pooled endowment fund referred to as the Consolidated Investment Trust (CIT). The CIT was established by the Regents of the University of Idaho to pool endowment funds received by the University and the Foundation. The CIT utilizes the market value share method of accounting. The fair value of the CIT's portfolio is divided by the number of outstanding unit participation shares owned by the individual endowments to determine the value of a share when additional contributions are added.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

The following table represents the fair value of investments by type at June 30, 2014 and 2013 respectively:

Investment Type	2014	2013
U.S. Government Agency Obligations	\$ 3,986,172	\$ 3,651,648
Corporate Debt	40,639,833	40,650,686
Preferred Stock	567,335	1,122,907
Municipal Securities	191,082	359,871
U.S. Treasuries	16,269,715	15,951,065
Common Stock	119,061,688	112,328,151
International Equity Funds	18,284,068	15,664,067
Mutual Funds	32,311,363	17,486,019
Private Equity	12,017,435	7,718,833
Real Assets	11,881,340	10,274,933
Foreign Currency	-	711
	<u>\$ 255,210,031</u>	<u>\$ 225,208,891</u>

Interest Rate Risk

Interest rate risk is defined by GASB Statement No. 40 as the risk a government may face should interest rate variances affect the fair value of investments. The Foundation does not have a formal policy that addresses interest rate risk.

As of June 30, 2014, the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate debt	\$ 40,639,833	\$ 3,406,621	\$ 25,559,229	\$ 10,263,501	\$ 1,410,482
U.S. government agency obligations	3,986,172	21	3,159,394	82,489	744,268
U.S. treasuries	16,269,715	-	8,924,586	7,345,129	-
Municipal securities	191,082	75,374	-	5,009	110,699
	<u>\$ 61,086,802</u>	<u>\$ 3,482,016</u>	<u>\$ 37,643,209</u>	<u>\$ 17,696,128</u>	<u>\$ 2,265,449</u>

As of June 30, 2013, the Foundation had the following investments subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate debt	\$ 40,650,686	\$ 3,045,324	\$ 26,631,899	\$ 9,410,238	\$ 1,563,225
U.S. government agency obligations	3,651,648	5,045	3,043,262	316,964	286,377
U.S. treasuries	15,951,065	45,855	9,415,063	6,490,147	-
Municipal securities	359,871	-	150,730	5,007	204,134
	<u>\$ 60,613,270</u>	<u>\$ 3,096,224</u>	<u>\$ 39,240,954</u>	<u>\$ 16,222,356</u>	<u>\$ 2,053,736</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. GASB Statement No. 40 requires disclosure of credit quality ratings for investments in debt securities. The Foundation does not have a formal policy that addresses credit risk. (The credit risk ratings listed below are issued upon standards set by Standard and Poor's.) As of June 30, 2014 and 2013 respectively, the Foundation had the following investment credit risk:

Investment Securities Subject to Credit Risk at June 30, 2014

Credit Rating	U.S. Government Agency Obligations	Corporate Debt	Municipal Securities	Total
AAA	\$ -	\$ 496,265	\$ -	\$ 496,265
AA	3,441,590	6,760,458	20,570	10,222,618
A	-	15,420,000	75,374	15,495,374
BBB	-	16,569,591	-	16,569,591
BB	-	600,225	40,024	640,249
CCC	-	29,486	-	29,486
D	-	30,949	-	30,949
Not Rated	544,582	732,859	55,114	1,332,555
Total	\$ 3,986,172	\$ 40,639,833	\$ 191,082	\$ 44,817,087

Investment Securities Subject to Credit Risk at June 30, 2013

Credit Rating	U.S. Government Agency Obligations	Corporate Debt	Municipal Securities	Total
AAA	\$ -	\$ 485,540	\$ -	\$ 485,540
AA	3,638,980	9,591,151	-	13,230,131
A	-	15,346,277	275,065	15,621,342
BBB	-	11,155,465	-	11,155,465
BB	-	1,990,609	39,999	2,030,608
B	-	1,591,550	-	1,591,550
CCC	-	36,040	-	36,040
D	-	33,639	-	33,639
Not Rated	12,668	420,415	44,807	477,890
Total	\$ 3,651,648	\$ 40,650,686	\$ 359,871	\$ 44,662,205

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Concentration of Credit Risk

Per GASB Statement No. 40, Concentration of Credit Risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Foundation has a formal policy addressing concentration of credit risk. Investments shall be diversified with the intent to minimize the risk of large realized and unrealized losses to the invested assets. The total portfolio will be constructed and maintained to provide prudent diversification with regard to the concentration of holding in individual issues, corporations, or industries.

- Not more than 5% of the total equity portfolio valued at market may be invested in the common stock of any one corporation.
- Debt securities of any one issuer shall not exceed 5% of the market value of the total bond portfolio at the time of purchase (except U.S. Treasury or other federal agencies).
- With the exception of passively managed portfolios, not more than 20% of the total portfolio may be invested in any one investment manager, fund, or pool.

As of June 30, 2014 and 2013 respectively, the Foundation had not invested more than 5 percent of their investments in any one issuer.

Custodial Credit Risk

The Foundation minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to Foundation ownership and further to the extent possible, be held in the Foundation's name. At June 30, 2014 and 2013 all Foundation funds were held in the name of the counterparty for benefit of the Foundation.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Foundation does not have a policy that addresses foreign currency risk. The Foundation is exposed to foreign currency risk in foreign stocks that it holds as follows for June 30, 2014 and 2013 respectively:

Investment Securities Subject to Foreign Currency Risk

Currency Type		June 30, 2014 Fair Value	June 30, 2013 Fair Value
AUD	Australia	\$ 2,364,593	\$ 2,604,069
BRL	Brazil	1,409,974	1,194,298
CHF	Switzerland	2,576,109	2,408,312
CLP	Chile	193,569	138,639
CNY	China	2,111,802	1,982,860
EUR	Euro	4,456,680	2,794,562
GBP	Great Britain	8,440,281	7,778,163
HKD	Hong Kong	3,478,470	2,998,233
IDR	Indonesia	342,617	308,957
INR	India	1,117,329	779,082
JPY	Japan	2,853,215	2,785,957
KRW	Korea	2,063,711	1,875,246
MXN	Mexico	870,845	739,088
MYR	Malaysia	530,543	405,936
NOK	Norway	100,081	-
PHP	Philippines	99,221	184,277
PLN	Poland	244,747	256,125
RUB	Russia	522,633	674,618
SEK	Sweden	777,938	563,831
SGD	Singapore	1,608,727	1,607,754
THB	Thailand	348,936	439,768
TRY	Turkey	291,150	411,701
TWD	Taiwan	1,916,110	1,615,660
ZAR	South Africa	1,010,246	665,825
Various	Various	403,557	232,147
		<u>\$ 40,133,084</u>	<u>\$ 35,445,108</u>

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

DISTRIBUTIONS TO UNIVERSITY OF IDAHO AND AFFILIATES

During fiscal years 2014 and 2013, earnings from endowments invested in the CIT, direct gifts and other revenues to the Foundation were distributed as follows:

	2014		2013	
	CIT Endowment Income	Gifts and Other Revenues	CIT Endowment Income	Gifts and Other Revenues
Scholarships	\$ 5,489,757	\$ 2,843,656	\$ 5,232,748	\$ 2,080,691
Student loans	183,394	-	177,382	-
Building funds	-	2,743,143	-	692,905
University of Idaho College and Dept Operating Accounts				
Academic Excellence	472,866	13,700	464,204	15,541
Agricultural and Life Sciences	388,728	1,426,014	336,937	1,389,860
Art and Architecture	14,220	101,141	13,673	67,244
Athletics	57,349	479,670	55,088	674,604
Business and Economics	377,452	794,586	351,404	555,799
Education	47,986	337,248	42,604	453,014
Engineering	138,277	699,029	120,720	885,543
Law	226,504	270,377	218,633	243,529
Letters, Art and Social Science	537,419	300,670	489,016	259,101
Library	171,563	3,831	161,539	373
Natural Resources	335,998	319,541	263,729	393,604
Science	184,528	224,383	156,223	174,991
Other departments	424,987	1,113,935	423,444	1,018,369
Life beneficiaries	107,143	-	108,895	-
University of Idaho affiliates	401	109,739	388	154,591
TOTAL DISTRIBUTIONS	\$ 9,158,572	\$ 11,780,663	\$ 8,616,627	\$ 9,059,759

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

DONOR RESTRICTED ENDOWMENTS

The Foundation receives certain gift assets that are restricted for endowment purposes, and by definition the original gift amount will be held in perpetuity for the benefit of the University. Restriction requirement for principal preservation is addressed by Idaho statute, and is applicable lacking any further guidance from the individual gift agreement. During the fiscal years ended June 30, 2014 and 2013, \$13,520,023 and \$6,752,809 was contributed to endowments, respectively.

The Foundation Board of Directors establishes a spending rate annually for endowments. The approved fiscal year 2014 and 2013 spending rate was set at 4.5% of the three-year rolling average of the CIT's monthly fair market value.

During the fiscal year ended June 30, 2014 and 2013, the endowments held by the Foundation had net appreciation on donor-restricted endowments of \$27,458,773 and \$17,497,040 respectively. Unrealized appreciation is included with the "Restricted-Expendable" fund balance.

18. RELATED ORGANIZATIONS

The Idaho Research Foundation, Inc. ("Research Foundation") is a separate legal entity that until 2008 provided technology transfer services to the University. In 2008 an agreement was reached between the University and Research Foundation to integrate some of the services into the University. The new role of the Research Foundation is to hold equity from licensing transactions on behalf of the University. The Research Foundation is a legally separate organization which provides a valuable service to the University. It does not provide financial resources to the University and is not reported as a component unit.

The Vandal Boosters, Inc. ("Boosters") is a fund raising organization that provides financial assistance and services to the University of Idaho intercollegiate athletic department. Contributions received by the University from this organization are recorded as gifts. It does not provide significant financial resources to the University and is not reported as a component unit.

The University of Idaho Alumni Association ("Association") was established to develop and maintain a positive relationship with alumni, parents, and friends of the University. The Association is a legally separate organization which provides a valuable service to the University. It does not provide significant financial resources to the University and is not reported as a component unit.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014 AND 2013

19. SPECIAL ITEM

In 1974, the Idaho Board of Regents (“Regents”) authorized the University to transfer the Consolidated Investment Trust (“CIT”) to the University of Idaho Foundation (“Foundation”) in trust under the terms and conditions of an Indenture Agreement. The CIT was established by the University to allow pooling of endowment assets for investment purposes.

On December 13, 2012, the Regents took action to modify the Indenture Agreement to release the assets transferred to the Foundation from the in-trust designation. On February 8, 2013, the University and the Foundation executed a Release and Waiver of Rights and Restrictions Agreement that permanently eliminates any and all revocation privileges associated with the Indenture Assets.

\$80,990,338 represents the fair value of the Indenture Assets that was transferred from the University to the Foundation.

20. SUBSEQUENT EVENTS

On July 10, 2014, the University issued \$48.66 million of general revenue bonds, Series 2014, to provide funds to finance the construction and equipping of a new 71,000 sq.ft. research center on the main campus in Moscow, Idaho referred to as the Integrated Research and Innovation Center (IRIC) along with funds necessary to fully renovate the existing College of Education Building. After accounting for additional funds generated by selling the bonds with initial premium pricing and subtracting issuance costs, the University received \$51.6 million in total project funds. These funds combined with state and private donor support will be used to cover the total planned costs of both projects of approximately \$66.2 million (\$49 million for the IRIC Building and \$17.2 million for the College of Education Building). Both projects began construction in the summer of 2014 and are expected to be completed in the fall of 2016.

In its 2015 fiscal year, the University will be required to adopt GASB Standard No. 68, *Accounting and Financial Reporting for Pensions*, issued in June, 2012. This Standard is an amendment of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. GASBS No. 68 will require the University to record in its financial statements the liability for its defined benefit pension obligations for active and retired employees receiving retirement benefits under the Public Employee Retirement System of Idaho (“PERSI”). This liability, as with all pension liabilities associated with PERSI, has previously been reported by PERSI as a consolidated liability in its independently audited and issued financial statements. This aggregate PERSI liability will be required, under Statement No. 68, to be allocated to all State of Idaho entities participating in PERSI. While the amount of the specific liability attributable to the University is currently unknown, University management anticipates this liability will have a material financial impact on both the University’s Statement of Net Position and its Statement of Revenues, Expenses and Changes in Net Position.

REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Idaho State Board of Education
University of Idaho
Moscow, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the University of Idaho (the University), and its discretely presented component units, and the aggregate remaining fund information of the University, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise University of Idaho's basic financial statements, and have issued our report thereon dated September 25, 2014. Our report includes reference to other auditors who audited the financial statements of the University of Idaho Foundation, a discretely presented component unit, and the University of Idaho Health Benefits Trust, a fiduciary fund, as described in our report of the University of Idaho's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Moss Adams LLP". The script is cursive and fluid.

Eugene, Oregon
September 25, 2014

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Idaho State Board of Education
University of Idaho
Moscow, Idaho

Report on Compliance for Each Major Federal Program

We have audited the University of Idaho's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of University's major federal programs for the year ended June 30, 2014. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to these matters.

MOSS ADAMS LLP

The University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, which we consider to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

Eugene, Oregon
September 25, 2014

**UNIVERSITY OF IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☒ Yes ☐ No

Identification of Major Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued</i>
Various	Student Financial Aid Cluster	Unmodified
93.575	Child Care and Development Block Grant	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-001 – Special Tests and Provisions: Enrollment Reporting – Significant Deficiency in Internal Controls and Instances of Noncompliance

Federal Program: CFDA 84.268 Federal Direct Loans, CFDA 84.038 Federal Perkins Loans

Federal Agency: Department of Education

UNIVERSITY OF IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Criteria: For changes in student status, University of Idaho ('The University') must make updates for changes in student status, report the date the enrollment status was effective and submit the changes electronically through the National Student Loan Database System (NSLDS) website. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

Condition: The University did not have procedures in place to adequately report student status changes timely.

Context: During our testing of 27 students, 5 students who were unofficial withdrawals were not timely reported to NSLDS as having a status change.

Effect: NSLDS does not have the correct information for these students, which could result in future issues for a student in need of federal aid or for an institution in need of awarding aid to a student.

Cause: The University did not have controls in place to ensure NSLDS reporting was completed timely for students determined to be unofficial withdrawals.

Recommendation: We recommend The University implement a process to ensure all student enrollment changes are reported timely.

Views of responsible officials and planned corrective actions: The University recognizes this finding and has taken steps to resolve the finding. After the same finding was found in a federal program review spring 2014 the University immediately started the review of all of its 2013-14 students who were considered unofficial withdrawals to determine their last date of attendance. The required steps have been taken to resolve the finding in the federal program review and that finding is considered closed with no further action required. The University submitted updated information to NSLDS to correct the status of each affected student. These corrections were made to NSLDS in accordance with the updated policies and procedures The University has updated its policies and procedures to update the last date of attendance on NSLDS in a timely manner once they receive information from faculty documenting each student's last date of attendance. A copy of the updated policies and procedures to address this finding are attached.



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>DEPARTMENT OF AGRICULTURE</u>							
DEPARTMENT OF AGRICULTURE							
National Potato Promotion Board - 13617	10			40,974			40,974
Western Forestry & Conservation Assn - IETIC Director Even Yr Funds	10			35,364			35,364
Western Forestry & Conservation Assn - Data Mgr FY14	10			1,642			1,642
Western Forestry & Conservation Assn - IETIC Director Odd Yr Funds	10			(329)			(329)
Western Forestry & Conservation Assn - IETIC Data Manager II Odd Yr	10			30			30
Multiple Sponsors - IFTNC Federal Partners 2013	10		16,332				16,332
Multiple Sponsors - IFTNC Federal Partners 2014	10		12,175				12,175
USDA Forest Service -09JV11221632177	10				30,000		30,000
USDA Forest Service -08CS11010500034	10		19,870				19,870
USDA Forest Service -08CS11011800027	10		1,073				1,073
USDA Forest Service -08JV11221633281	10		(400)				(400)
USDA Forest Service -09CS11221633209	10		23				23
USDA Forest Service -09JV11221632067	10		2,257				2,257
USDA Forest Service -10JV11221634247	10		39,634				39,634
USDA Forest Service -11-CR-11221632-126	10		58				58
USDA Forest Service -11CS11010500001	10		9,646				9,646
USDA Forest Service -11CS11011100049	10		4				4
USDA Forest Service -11JV11221632153	10		6,956				6,956
USDA Forest Service -13-PA-11011724-031	10		23,036				23,036
USDA-APHIS -12-8130-1547-CA	10		14,254				14,254
USDA-APHIS -13-8130-1547-CA	10		17,857				17,857
USDA Forest Service -08JV11221633201	10		(4,585)				(4,585)
USDA Forest Service -08JV11221634236	10		4,140				4,140
USDA Forest Service -09JV11111133036	10		3,879				3,879
USDA Forest Service -09JV11221633325	10		12,419				12,419
USDA Forest Service -09JV11221634294	10		20,452				20,452
USDA Forest Service -10CR11221632182	10		11,872				11,872
USDA Forest Service -10JV11111133093	10		150				150
USDA Forest Service -10JV11221633206	10		2,686				2,686
USDA Forest Service -10JV11221634252	10		18,560				18,560
USDA Forest Service -10JV11272162041	10		1,928				1,928
USDA Forest Service -11CR11061800056	10		10,623				10,623
USDA Forest Service -11-CS-11221632-092	10		3,325				3,325
USDA Forest Service -11JV11221633184	10		(811)				(811)
USDA Forest Service -11JV11261987105	10		61,892				61,892
USDA Forest Service -12JV11111133040	10		1,725				1,725
USDA Forest Service -12-JV-11221633-112	10		3,991				3,991
USDA Forest Service -13-CR-11261950-089	10		14,373				14,373
USDA Forest Service -13-JV-11221632-082	10		21,014				21,014
USDA Forest Service -13-JV-11221632-160	10		21,336				21,336
USDA Forest Service -13-JV-11221633-112	10		19,958				19,958
USDA Forest Service -13-JV-11221633-114	10		400				400
USDA Forest Service -13-JV-11221633-130	10		47,573				47,573
USDA Forest Service -13-JV-11221633-132	10		844				844
USDA Forest Service -13-JV-11221633-136	10		4,981				4,981
USDA Forest Service -13-JV-11221634-065	10		54,490				54,490
USDA Forest Service -13JV11242302048 G24392927001	10		25,127				25,127
USDA Forest Service -14-JV-11221633-042	10		13,348				13,348
USDA Forest Service -2013-JV-11261900-072	10		6,185				6,185
USDA Forest Service -PNW10JV11261987041	10		52,224				52,224
USDA/OCE/ORACBA -58011111003	10		36,425				36,425
USDA-APHIS -13-8130-0286-CA	10		1,608				1,608
USDA Forest Service -12-CR-11221636-108	10				2,492		2,492
USDA Forest Service -12-CS-11011724-027	10				28,649		28,649
USDA Rural Housing Service -12029826000945	10				1,049		1,049
USDA Forest Service -08JV11221611160	10				(746)		(746)



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>DEPARTMENT OF AGRICULTURE</u>							
DEPARTMENT OF AGRICULTURE (Cont.)							
USDA Forest Service -11CR11221611214	10				330,245		330,245
USDA Forest Service -12-JV-11221637-143	10				343,597		343,597
USDA Forest Service -13-PA-11041404-028	10				3,357		3,357
Idaho Apple Commission -11624	10			89,843			89,843
National Potato Promotion Board -13617	10			53,210			53,210
Idaho Apple Commission -13572	10			8,582			8,582
Idaho Potato Commission -11628	10			75,361			75,361
Northwest Center for Alternatives to Pesticides -01-11-UI	10			4,383			4,383
Twin Falls Soil & Water Conservation District -13696	10			110			110
Agricultural Research Fdn -13323	10			3,280			3,280
ARRA DEPARTMENT OF AGRICULTURE (RECOVERY)	10						
USDA Forest Service -10JV112282B1015	10	ARRA	1,295				1,295
AGRICULTURE RESEARCH SERVICE							
Agricultural Research-Basic and Applied Research	10	001	1,088,373				1,088,373
University of Nebraska -25-6235-0205-003	10	001		686			686
Floragenex Inc -13147	10	001		24,620			24,620
AGRICULTURAL MARKETING SERVICE							
Specialty Crop Block Grant Program - Farm Bill	10	170	3,704				3,704
Idaho Department of Agriculture -SCBGP-FB	10	170		177			177
Idaho Department of Agriculture -SCBGP-FB	10	170		20,361			20,361
Idaho Department of Agriculture -SCBGP-FB	10	170		13,755			13,755
Idaho Bean Commission -09Z1B	10	170		9,800			9,800
Idaho Department of Agriculture -SCBGP-FB-2012	10	170		(992)			(992)
Idaho Department of Agriculture -SCBGP-FB-2012	10	170		7,540			7,540
Idaho Department of Agriculture -SCBGP-FB-2012	10	170		5,334			5,334
Idaho Department of Agriculture -SCBGP-FB-2012	10	170		(485)			(485)
Idaho Department of Agriculture -SCBGP-FB-2012	10	170		10,861			10,861
Idaho Potato Commission -12618	10	170		28,872			28,872
Idaho Department of Agriculture -2013SCBGP-FB	10	170		20,270			20,270
Idaho Potato Commission -2013 FARM BILL SCBGP-FB	10	170		4,362			4,362
Idaho Potato Commission -2013 FARM BILL SCBGP-FB	10	170		3,377			3,377
Idaho Potato Commission -2013 FARM BILL SCBGP-FB	10	170		29			29
Idaho Bean Commission -13615	10	170		1,093			1,093
Northwest Center for Alternatives to Pesticides -02-11-UI	10	170				6,237	6,237
ANIMAL AND PLANT HEALTH INSPECTION SERVICE							
Plant and Animal Disease, Pest Control, and Animal Care	10	025	315,196				315,196
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE							
Grants for Agricultural Research, Special Research Grants	10	200	247,918				247,918
University of Washington -756222	10	200		7,152			7,152
University of California, Davis -200912415FUUI1	10	200		(40)			(40)
Washington State University -114878 G002873	10	200		4,331			4,331
University of California, Davis -201223372-04-UOI-HIRNYCK-FOODU	10	200		26,997			26,997
Washington State University -105577 G003124	10	200		178,016			178,016
University of California, Davis -201302570-26-UI-BARBOR-BGP	10	200		11,243			11,243
Univ of California Davis -201302570-04-UI-HIRNYCK-FOODU	10	200		51,162			51,162
Univ of California Davis -201302570-22-UI-MORISHITA-ECS	10	200		2,987			2,987
University of Washington -734578	10	200		5,060			5,060
University of Washington -757248	10	200		677			677
University of Washington -715654	10	200				1,867	1,867
Cooperative Forestry Research	10	202	513,039				513,039



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (Cont.)							
Payments to Agricultural Experiment Stations Under the Hatch Act	10	203	2,026,003				2,026,003
Grants for Agricultural Research_ Competitive Research Grants	10	206	52,365				52,365
Animal Health and Disease Research	10	207	25,150				25,150
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10	210			80,476		80,476
Sustainable Agriculture Research and Education	10	215					
Utah State University -100893001	10	215		52,205			52,205
Utah State University -110892008	10	215		10,617			10,617
Utah State University -120833019	10	215		16,463			16,463
Higher Education Challenge Grants	10	217	179,953				179,953
Ohio State University Research Foundation -60020124PORF01188105	10	217				2,655	2,655
Higher Education Multicultural Scholars Program	10	220			32,625		32,625
Community Food Projects	10	225					-
Oregon State University -170348	10	225		2,354			2,354
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10	226			28,977		28,977
Integrated Programs	10	303	406,615				406,615
Washington State University -112890_G002647	10	303		40,429			40,429
Washington State University -112890_G002787	10	303		23,528			23,528
Kansas State University -S13116	10	303		30,848			30,848
Texas Woman's University -2045-045-2	10	303		15,508			15,508
Homeland Security_Agriculture	10	304					
Univ of California Davis -201303063-07	10	304		11,176			11,176
Biodiesel	10	306			75,643		75,643
Organic Agriculture Research and Extension Initiative	10	307					-
Washington State University -110036G002574	10	307		68,586			68,586
Washington State University -110006G002474	10	307		488			488
Utah State University -10075902	10	307				5,070	5,070
Utah State University -10075902	10	307				3,542	3,542
Specialty Crop Research Initiative	10	309	316,290				316,290
Texas A & M University -570610	10	309		89,472			89,472
University of Georgia -1021RR722132/4692318	10	309		2,398			2,398
Washington State University -111349G002607	10	309		90,735			90,735
North Carolina St. University -2010136505	10	309		7,794			7,794
University of Wisconsin -350K825	10	309		46,220			46,220
University of Wisconsin -350K825	10	309		43,074			43,074
Texas A & M University -06-S140619	10	309		14,999			14,999
Texas A & M University -06-S140619	10	309		4,877			4,877
Texas A & M University -06-S140619	10	309		1,091			1,091
Agriculture and Food Research Initiative (AFRI)	10	310	5,132,531		50,000		5,182,531
University of Nevada at Reno -UNR-14-78 114GC000085	10	310		6,591			6,591
Washington State University -115375 G002917	10	310		134,652			134,652
Univ of California Davis -201015718-13	10	310		87,228			87,228
Regents University of California Riverside -S-000471	10	310		108,371			108,371
USDA Agricultural Research Ser -59-1907-2-254	10	310		25,382			25,382
Auburn University -13-AGR-373036-UI	10	310		182			182
Washington State University -115337G002918	10	310		23,354			23,354
Boise State University -5353-A	10	310		71,308			71,308
Washington State University -115808G002989	10	310		220,945			220,945
Colorado State University -G-91600-5	10	310		3,707			3,707
Washington State University -115808G002989	10	310		29,978			29,978
University of Washington -729775	10	310		100,988			100,988
University of Washington -729775	10	310		98,132			98,132
Colorado State University -G-91600-5	10	310		22,888			22,888
Colorado State University -G-91600-5	10	310		5,506			5,506
Colorado State University -G-91600-5	10	310		6,583			6,583



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE (Cont.)							
Boise State University -5353-A	10	310		61,349			61,349
Washington State University -115375 G002917	10	310		131,379			131,379
Washington State University -115808G002989	10	310		106,361			106,361
University of Oregon -238391D	10	310		2,775			2,775
Washington State University -114904 G003169	10	310		1,132			1,132
Oregon State University -C0462A-A	10	310		66,755			66,755
Washington State University -115808G002989	10	310		190,160			190,160
Oregon State University -U0720B-B	10	310				6,752	6,752
Washington State University -118978 G003159	10	310				40,493	40,493
Beginning Farmer and Rancher Development Program	10	311					
Mountain States Group, Inc. -10636	10	311				377	377
Biomass Research and Development Initiative Competitive Grants Program (BRDI)	10	312	196,780				196,780
Cooperative Extension Service	10	500			3,201,925		3,201,925
Kansas State University -S08029M1	10	500				(269)	(269)
Kansas State University -S13083	10	500		9,762			9,762
Kansas State University -S14073	10	500				15,687	15,687
Kansas State University -S14152	10	500				4,009	4,009
National 4-H Council -11413	10	500				(273)	(273)
National 4-H Council -11413C	10	500				6,811	6,811
New Mexico State University -Q01463	10	500				24,098	24,098
Oregon State University -US070A-B	10	500		2,774			2,774
University of Wyoming -1001769	10	500				7,435	7,435
University of Wyoming -1002139	10	500				4,486	4,486
Utah State University -110897009	10	500				31,377	31,377
Washington State University -108815G003207	10	500				42,743	42,743
FOOD AND NUTRITION SERVICE							
Child and Adult Care Food Program	10	558					
Idaho State Department of Education -2901	10	558				9,464	9,464
Idaho State Department of Education -2901	10	558				19,334	19,334
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10	561					
Idaho Dept. of Health & Welfare -WC066000	10	561				20,884	20,884
Idaho Dept. of Health & Welfare -WC066000	10	561				38,912	38,912
Idaho Dept. of Health & Welfare -WC066000	10	561				35,963	35,963
Idaho Dept. of Health & Welfare -WC066000	10	561				34,493	34,493
Idaho Dept. of Health & Welfare -WC066000	10	561				38,306	38,306
Idaho Dept. of Health & Welfare -WC066000-7	10	561				93,615	93,615
Idaho Dept. of Health & Welfare -WC066000-7	10	561				95,556	95,556
Idaho Dept. of Health & Welfare -WC066000-7	10	561				116,863	116,863
Idaho Dept. of Health & Welfare -WC066000-7	10	561				60,089	60,089
Idaho Dept. of Health & Welfare -WC066000-7	10	561				80,226	80,226
Idaho Dept. of Health & Welfare -WC066000A2	10	561				1,480	1,480
Idaho Dept. of Health & Welfare -WC066000A2	10	561				1,891	1,891
Idaho Dept. of Health & Welfare -WC066000A2	10	561				(3,830)	(3,830)
FOREST SERVICE							
Cooperative Forestry Assistance	10	664	1,879				1,879
Washington Department of Natural Resources -IAA 14-253	10	664		2,783			2,783
Idaho Department of Lands -TO4	10	664				1,190	1,190
Idaho Department of Lands -UI/IDL10-417 TO 13-302	10	664				15,157	15,157
North Dakota State University -FAR0021941	10	664				4,071	4,071
Forest Products Lab: Technology Marketing Unit (TMU)	10	674	59,634				59,634
Forest Health Protection	10	680	288,953				288,953
International Forestry Programs	10	684					
Bat Conservation Intl. -13263	10	684		3,555			3,555



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF AGRICULTURE							
FOREST SERVICE (Cont.)							
RURAL BUSINESS-COOPERATIVE SERVICE							
Rural Energy for America Program	10	868					
Boise State University -5176-A	10	868				34	34
Rural Business Opportunity Grants	10	773					-
Clearwater Economic Development Assoc. -14282	10	773		24,802			24,802
NATURAL RESOURCES CONSERVATION SERVICE							
Soil & Water Conservation	10	902	201,085		4,340		205,425
University of Montana -PG126480403	10	902		552			552
Soil Survey	10	903	18,872				18,872
Environmental Quality Incentives Program	10	912	152,138		41,414		193,552
FOREIGN AGRICULTURAL SERVICE							
Scientific Cooperation and Research	10	961	4,945				4,945
Cochran Fellowship Program-International Training-Foreign Participant	10	962			147,193		147,193
TOTAL - DEPARTMENT OF AGRICULTURE			11,867,625	2,859,955	4,401,236	879,331	20,008,147
DEPARTMENT OF COMMERCE							
DEPARTMENT OF COMMERCE							
NOAA NMFS -RA-133F-12-SE-2324	11		29,656				29,656
ECONOMIC DEVELOPMENT ADMINISTRATION							
Economic Development_Technical Assistance	11	303			70,324		70,324
Boise State University - BSU TechHelp EDA FY2015	11	303				368	368
Boise State University -5461-2014-A	11	303				8,014	8,014
Boise State University -5461-2014-A	11	303				42,302	42,302
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION							
Sea Grant Support	11	417					
University of Rhode Island -070112/0003168 PO 48400	11	417		3,612			3,612
Climate and Atmospheric Research	11	431	(1,596)				(1,596)
Oregon State University -NA226BC	11	431		22,293			22,293
Pacific Coast Salmon Recovery_Pacific Salmon Treaty Program	11	438					
Columbia River Inter-Tribal - C13-01C1300140	11	438		36,689			36,689
Office of Species Conservation -01410CW	11	438		18,005			18,005
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11	483					
Office of Species Conservation -005 12 CW	11	483		5,841			5,841
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY							
Manufacturing Extension Partnership	11	611					
Boise State University - BSU TechHelp NIST FY15	11	611				1,428	1,428
Boise State University - BSU TechHelp NIST Prog Inc FY15	11	611				759	759
Boise State University -079G106046-A	11	611				969	969
Boise State University -079G106046-A	11	611				1,241	1,241
Boise State University -4801-A	11	611				134,217	134,217
Boise State University -4801-A	11	611				86,047	86,047
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION							
RECOVERY-State Broadband Data and Development Grant Program	11	558					
ARRA EdLab Group Foundation - EDLAB2011-11	11	558				1,739	1,739
ARRA EdLab Group Foundation - EDLAB2012-25	11	558				29,414	29,414
TOTAL - DEPARTMENT OF COMMERCE			28,060	86,440	70,324	306,498	491,322



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF DEFENSE							
DEPARTMENT OF DEFENSE							
CFD Research Corporation - 20120049	12			8,418			8,418
US Army Corps of Engineers -W9127N-12-P-0322	12		61,264				61,264
US Army Corps of Engineers -TOW9127N0920009001	12		38,976				38,976
US Army Corps of Engineers -TOW9127N0920009001	12		1,466				1,466
US Army Corps of Engineers -W9127N-14-2-0010	12		6,935				6,935
US Army Corps of Engineers -W912HZ-12-2-0004	12		856				856
US Army Corps of Engineers -W912HZ-12-2-0004	12		(1,185)				(1,185)
US Army Corps of Engineers -W912HZ-12-2-0004	12		166,718				166,718
US Army Corps of Engineers -W912HZ-12-2-0004	12		692,613				692,613
US Army Corps of Engineers -W912HZ-12-2-0004	12		499,330				499,330
US Army Corps of Engineers -W912HZ-12-2-0004	12		648,177				648,177
US Army Corps of Engineers -W912HZ-12-2-0014	12		(3,229)				(3,229)
Federal Government -H98230-14-C-0964	12		58,677				58,677
US Army Corps of Engineers -W912HQ12C0009	12		186,216				186,216
US Army Corps of Engineers -W912HQ-12-C-0022	12		148,764				148,764
US Department of the Army -NAFBA1-13-M-0211	12				20,899		20,899
US Department of the Army -NAFBA1-13-M-0316	12				44,788		44,788
Washington State University -119942 G003224	12					3,333	3,333
Washington State University -119942 G003225	12					3,301	3,301
Univ of California Davis -201301358-01	12			167,947			167,947
Univ of California Davis -201301803-01	12			268,068			268,068
Univ of California Davis -201400387-01	12			48,193			48,193
Univ of California Davis -20122225101	12			(3,754)			(3,754)
CFD Research Corporation -1495	12			52			52
Fluorochem, Inc. -UII	12			44,240			44,240
CFD Research Corporation -20120488	12			12,831			12,831
Global Technology Connection, Inc. -7113	12			3,831			3,831
OFFICE OF THE CHIEF OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY							
Basic and Applied Scientific Research	12	300	453,268				453,268
Western Kentucky University -WKURF51220110001	12	300		42,514			42,514
Western Kentucky University -WKURF51220110001	12	300		19,039			19,039
OFFICE OF THE SECRETARY OF DEFENSE							
Basic Scientific Research - Combating Weapons of Mass Destruction	12	351	164,669				164,669
Basic, Applied, and Advanced Research in Science and Engineering	12	630	338,343				338,343
DEPARTMENT OF DEFENSE U.S. ARMY MEDICAL COMMAND							
Military Medical Research and Development	12	420	369,287				369,287
DEPARTMENT OF THE AIR FORCE MATERIEL COMMAND							
Basic Science Research	12	431	86,569				86,569
University of Texas at Austin -UTA14-000287	12	431		11,344			11,344
Air Force Defense Research Sciences Program	12	800					-
GE Global Research -400070053	12	800		29,080			29,080
NATIONAL SECURITY AGENCY							
Mathematical Sciences Grants Program	12	901	25,221				25,221
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY							
Research and Technology Development	12	910	165,994				165,994
TOTAL - DEPARTMENT OF DEFENSE			4,108,929	651,803	65,687	6,634	4,833,053



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>DEPARTMENT OF THE INTERIOR</u>							
DEPARTMENT OF INTERIOR							
Western Forestry & Conservation Assn - IETIC Director Even Yr Funds	15			4,469			4,469
Western Forestry & Conservation Assn - Data Mgr FY14	15			208			208
Western Forestry & Conservation Assn - IETIC Russell H Hudson Gene Archive	15			15			15
Western Forestry & Conservation Assn - IETIC Director Odd Yr Funds	15			(42)			(42)
Western Forestry & Conservation Assn - IETIC Data Manager II Odd Yr	15			4			4
Multiple Sponsors - IFTNC Fed Partner Dues CY 2013	15		2,041				2,041
Multiple Sponsors - IFTNC Fed Partner Dues 2014	15		2,435				2,435
US Geological Survey -G12PC00068	15		124,712				124,712
US Geological Survey -G12PC00068 MOD 3	15		60,867				60,867
US Geological Survey -12497	15		223,156				223,156
USDI Bureau of Indian Affairs -10877	15		1				1
USDI Bureau of Indian Affairs -A13AC00099	15		4,843				4,843
USDI National Park Service -0001090001	15		39,241				39,241
USDI National Park Service -H1200090004 P09AC00140	15		21,308				21,308
USDI National Park Service -H1200090004 P12AC10605	15		20,374				20,374
USDI National Park Service -P11AC90546	15		30,897				30,897
USDI National Park Service -P12AC10215	15		(827)				(827)
National Park Service -H2370094000 J2330106500	15		(20)				(20)
National Park Service -H2370094000 P10AC00617	15		(2)				(2)
National Park Service -P08AC00166	15		4,177				4,177
National Park Service -P10AC00489	15		49,897				49,897
US Fish & Wildlife Service -ORDER F11PX05413	15		7,072				7,072
USDI National Park Service -H1200090004 P12AC10797	15		26,982				26,982
USDI National Park Service -H2370094000 J2370106506	15		(164)				(164)
USDI National Park Service -H2370094000 J2301110201	15		37				37
USDI National Park Service -H2370094000 P13AC00035	15		9,877				9,877
USDI National Park Service -H2370094000/P11AC91353	15		92				92
USDI National Park Service -P10AC00221	15		4,460				4,460
USDI National Park Service -P11AC90631	15		56,683				56,683
USDI National Park Service -H1200090004/P12AC10829	15				33,421		33,421
USDI National Park Service -H2370094000P12AC11137	15				60,642		60,642
Boise District Grazing Board -13728	15					9,656	9,656
Department of Interior	15	DAV	1,251				1,251
BUREAU OF LAND MANAGEMENT							
Recreation Resource Management	15	225	63,891		(75)		63,816
Invasive and Noxious Plant Management	15	230	121,616				121,616
Fish, Wildlife and Plant Conservation Resource Management	15	231	47,653		42		47,695
Wildland Fire Research and Studies Program	15	232	59,412		12,908		72,320
Environmental Quality and Protection Resource Management	15	236	4,915				4,915
Oregon State University -L0145A-A	15	236		10,534			10,534
Challenge Cost Share	15	238	6,423				6,423
Management Initiatives	15	239			13,424		13,424
BUREAU OF INDIAN AFFAIRS							
Agriculture on Indian Lands	15	034	15,405				15,405
BUREAU OF RECLAMATION							
Water 2025	15	507					
US Department of Interior - Bureau of Reclamation - R09AC10428	15	507	2,226				2,226
Desert Research Institute -646.2150.01	15	507		9,893			9,893
Desert Research Institute -646250001	15	507		15,678			15,678
Providing Water to At-Risk Natural Desert Terminal Lakes	15	508					
Desert Research Institute -646050701	15	508		5,197			5,197
Desert Research Institute -TASK3	15	508		4,366			4,366



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF THE INTERIOR							
BUREAU OF RECLAMATION (Cont.)							
Fish and Wildlife Coordination Act	15	517	437,076				437,076
Lower Colorado River Multi-Species Conservation Program.	15	538					
Arizona Game and Fish Department -14012	15	538		9,500			9,500
SECURE Water Act-Research Agreements	15	560	3,513				3,513
US Department of Interior - Bureau of Reclamation - R09AC10428	15	560	514				514
US FISH AND WILDLIFE SERVICE							
Sport Fish Restoration Program	15	605					
Idaho Department of Fish & Game -UI/IDFG09TO1	15	605		57,213			57,213
Idaho Department of Fish & Game -UI/IDGF09TO1	15	605		40,751			40,751
North Dakota Game & Fish Dept -11519C	15	605		34,657			34,657
North Dakota Game & Fish Dept -11519D	15	605		24,618			24,618
Fish and Wildlife Management Assistance	15	608	1,596				1,596
Wildlife Restoration	15	611					
Idaho Department of Fish & Game - LETTER 08.23.10 CONNELLY	15	611		28,890			28,890
State Wildlife Grants	15	634					
North Dakota Game & Fish Dept -T29R1	15	634		1,186			1,186
Idaho Department of Fish & Game -IDFG09TO318	15	634		(272)			(272)
Migratory Bird Joint Ventures	15	637					
Pheasants Forever, Inc. - 60181BJ653	15	637		19,610			19,610
Pheasants Forever, Inc. -12538B	15	637		103,591			103,591
Research Grants (Generic)	15	650	38,535		(6,427)		32,108
Endangered Species Conservation	15	657	1,215				1,215
Idaho Department of Fish & Game -14102	15	657		10,459			10,459
Endangered Species - Candidate Conservation Action Funds	15	660	6,737				6,737
U.S.GEOLOGICAL SURVEY							
Assistance to State Water Resources Research Institutes	15	805	96,199				96,199
U.S. Geological Survey_ Research and Data Collection	15	808	121,516		195,595		317,111
Boise State University -5492-A	15	808		32,007			32,007
National Cooperative Geologic Mapping Program	15	810	189,701				189,701
Cooperative Research Units Program	15	812	478,541				478,541
National Geological and Geophysical Data Preservation Program	15	814			10,255		10,255
National Land Remote Sensing_Education Outreach and Research	15	815					
AmericaView, Inc. -AV13-ID01	15	815		14,269			14,269
National Climate Change and Wildlife Science Cente	15	820					-
Oregon State University -GS254A-B	15	820		7,113			7,113
Oregon State University -GS274A-A	15	820		28,733			28,733
Oregon State University -GS277A-A	15	820		37,432			37,432
Oregon State University -GS240BA	15	820		268,352			268,352
NATIONAL PARK SERVICE							
Preservation of Japanese American Confinement Sites	15	933	15,520				15,520
Cooperative Research and Training Programs – Resources of the National Park System	15	945	689,549		37,673		727,222
TOTAL - DEPARTMENT OF THE INTERIOR			3,091,143	768,431	357,458	9,656	4,226,688

University of Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF JUSTICE							
DEPARTMENT OF JUSTICE							
ID Coal Agst Sexual/Dom Violence -2009-WL-AX-0016	16					8,666	8,666
JUVENILE JUSTICE & DELINQUENCY PREVENTION							
Juvenile Mentoring Program	16	726					
National 4-H Council -2012-OJJDP-NMP111-312	16	726				22,457	22,457
National 4-H Council -2013-OJJDP-NMPIV-412	16	726				9,355	9,355
Enforcing Underage Drinking Laws Program	16	727					
Department of Juvenile Corrections -10-CC99-01	16	727				4,515	4,515
Department of Juvenile Corrections -11-CC99-01	16	727				16,063	16,063
BUREAU OF JUSTICE ASSISTANCE							
John R. Justice Prosecutors and Defenders Incentive Act	16	816			86,176		86,176
TOTAL - DEPARTMENT OF JUSTICE			-	-	86,176	61,056	147,232
DEPARTMENT OF STATE							
DEPARTMENT OF STATE							
International Research & Exchanges Board -UGRAD-UI13	19					759	759
BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS							
Academic Exchange Programs - Undergraduate Programs	19	009					
International Research & Exchanges Board - UGRAD PAKISTAN - U13	19	009				1,250	1,250
Educational and Cultural Exchange Programs Appropriation Overseas Grants	19	022					-
Institute of International Education - IIE Fullbright Gateway Orientation	19	022				1,236	1,236
Professional and Cultural Exchange Programs - Citizen Exchanges	19	415					
Georgetown University -IU-RX2050-981-13-C	19	415				68,313	68,313
TOTAL - DEPARTMENT OF STATE			-	-	-	71,558	71,558
DEPARTMENT OF TRANSPORTATION							
DEPARTMENT OF TRANSPORTATION							
Idaho Transportation Department - A014(335)/14335	20					11,118	11,118
DEPARTMENT OF TRANSPORTATION							
ARRA Federal Pass Through	20	ARRA					
Idaho Transportation Department -8517	20	ARRA				5,951	5,951
Idaho Transportation Department -8554 TO 6	20	ARRA				5,074	5,074
FEDERAL HIGHWAY ADMINISTRATION							
Highway Planning and Construction	20	205					
Idaho Transportation Department - T0U11102	20	205		14,387			14,387
Idaho Transportation Department - UI-12-01	20	205		24,534			24,534
Washington State University - 116104 G002959	20	205		5,587			5,587
Washington State University - 119421G003091	20	205		34,360			34,360
Idaho Transportation Department - UI-13-01	20	205		22,838			22,838
Idaho Transportation Department - UI-12-03	20	205		5,090			5,090
Idaho Transportation Department - UI-13-02	20	205		20,863			20,863
Idaho Transportation Department - UI-14-02	20	205		1,628			1,628
Idaho Transportation Department - UI-14-03	20	205		4,352			4,352
City of Moscow -10641	20	205				9,238	9,238
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION							
University Transportation Centers Program	20	701	1,408,033				1,408,033
University of Washington -739436	20	701		39,193			39,193
University of Washington -739436	20	701		91,104			91,104
University of Washington -739436	20	701		26,830			26,830
University of Washington -739436	20	701		46,323			46,323



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>DEPARTMENT OF TRANSPORTATION</u>							
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION (Cont.)							
University of Washington -739436	20	701		20,993			20,993
University of Washington -739436	20	701		24,210			24,210
University of Washington -739436	20	701		13,526			13,526
University of Washington -739436	20	701		30,815			30,815
University of Washington -739436	20	701		47,336			47,336
University of Washington -739436	20	701		34,231			34,231
University of Washington -739436	20	701		102,976			102,976
University of Washington -739436	20	701		19,682			19,682
TOTAL - DEPARTMENT OF TRANSPORTATION			1,408,033	630,858	-	31,381	2,070,272
<u>DEPARTMENT OF TREASURY</u>							
INTERNAL REVENUE SERVICE							
Low-Income Taxpayer Clinics	21	008			123,324		123,324
TOTAL - DEPARTMENT OF TREASURY			-	-	123,324	-	123,324
<u>FEDERAL COMMUNICATION COMMISSION</u>							
Federal Communication Commission							
Federal Communications Commission -12323	32				1,733		1,733
Federal Communications Commission -12323	32				81,544		81,544
TOTAL - FEDERAL COMMUNICATION COMMISSION			-	-	83,277	-	83,277
<u>GENERAL SERVICES ADMINISTRATION</u>							
Public Building Services							
Domingo Gonzalez Associates -14037	39	012					
	39	012		16,385			16,385
TOTAL - GENERAL SERVICES ADMINISTRATION			-	16,385	-	-	16,385
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>							
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
NASA Goddard Space Flight Center -NNG14HX23P	43		96,254				96,254
NASA Goddard Space Flight Center -NNX08AT68A	43		23,626				23,626
NASA Shared Services Center -NNX09AV04A	43		80,755				80,755
National Aeronautic Space Ad. -NNX07AL05A	43		539				539
National Aeronautic Space Ad. -NNX07AL05A	43		7,222				7,222
National Aeronautic Space Ad. -NNX08BA10G	43		(573)				(573)
National Aeronautic Space Ad. -NNX10AC34A	43		52,932				52,932
National Aeronautic Space Ad. -NNX10AN29A	43		194,138				194,138
National Aeronautic Space Ad. -NNX10AN30A	43		184,247				184,247
National Aeronautic Space Ad. -NNX10AQ10G	43		46,980				46,980
National Aeronautic Space Ad. -NNX10AQ10G	43		1,417				1,417
National Aeronautic Space Ad. -NNX11AO51H	43		30,818				30,818
National Aeronautic Space Ad. -NNX14AI67G	43		7,779				7,779
National Aeronautic Space Ad. -NNX10AT77A	43				21,244		21,244
National Aeronautic Space Ad. -NNX10AT77A	43				51,143		51,143
Jet Propulsion Laboratories -1490288	43			15,463			15,463
Space Telescope Science Institute -HST-GO-12900.03-A	43			9,000			9,000
University of Arizona -Y503506	43			(1,680)			(1,680)
University of Illinois -2007-05966-02 A3595	43			12,645			12,645



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE		FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>								
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (Cont.)								
Science	Idaho State Department of Education -036007	43					305	305
		43	001	1,960,517		(991)		1,959,526
	Cornell University -67431-10067	43	001		3,450			3,450
	University of Maryland -Z661802	43	001		49,828			49,828
Education	University of Maryland -Z662303	43	001		43,416			43,416
		43	008	318,720				318,720
	Jet Propulsion Laboratories -1466983	43	008		7,250			7,250
TOTAL - NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				3,005,371	139,372	71,396	305	3,216,444
<u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u>								
NATIONAL ENDOWMENT FOR THE ARTS								
Promotion of the Arts-Grants to Organizations & Individuals								
Promotion of the Arts_Partnership Agreements	Arts Midwest -253	45	024					
		45	024				15,000	15,000
		45	025					
	Idaho Commission on the Arts - 3526ET-14	45	025				3,692	3,692
	Idaho Commission on the Arts - 4315AE-13	45	025				(1,260)	(1,260)
	Western States Arts Federation -TW20130077	45	025				2,250	2,250
	Western States Arts Federation -TW20130078	45	025				2,250	2,250
NATIONAL ENDOWMENT FOR THE HUMANITIES								
Promotion of the Humanities_Federal/State Partnership								
	Idaho Humanities Council -2008061	45	129				30	30
	Idaho Humanities Council -2013062	45	129				850	850
TOTAL - NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				-	-	-	22,812	22,812
<u>NATIONAL SCIENCE FOUNDATION</u>								
NATIONAL SCIENCE FOUNDATION								
Engineering Grants	Salish Kootenai College - AMP Minority Participation	47			1,800			1,800
		47	041	235,432				235,432
	MJ3 Industries, LLC -MJ3UII	47	041		27,998			27,998
	University of Montana -PG14-66101-01	47	041		32,207			32,207
Mathematical and Physical Sciences	Tuskegee University -34-22420-179-76190	47	041		30,978			30,978
		47	049	534,292				534,292
		47	050	419,668				419,668
	Woods Hole Oceanographic Institution -A101022	47	050		19,806			19,806
Geosciences	University of Texas at Austin -UTA13-000935	47	050		15,149			15,149
	Idaho State University -11141CRBAO07	47	050		1,901			1,901
		47	070	514,323				514,323
		47	074	1,815,916				1,815,916
Computer and Information Science and Engineering	Villanova University -BAUER/525588	47	074		1,247			1,247
	Michigan State University -61-2075UI	47	074		76,099			76,099
	Michigan State University -61-2075UI	47	074		48,136			48,136
	Michigan State University -61-2075UI	47	074		8,839			8,839
	Michigan State University -61-2075UI	47	074		19,885			19,885
	Michigan State University -61-2075UI	47	074		109,684			109,684
	Michigan State University -61-2075UI	47	074		40,270			40,270
	Michigan State University -61-2075UI	47	074		65,986			65,986
	Michigan State University -61-2075UI	47	074		32,907			32,907
	Michigan State University -61-2075UI	47	074		56,442			56,442
	Michigan State University -61-2075UI	47	074		17,239			17,239
	Michigan State University -61-2075UI	47	074		12,926			12,926



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>NATIONAL SCIENCE FOUNDATION</u>							
NATIONAL SCIENCE FOUNDATION (Cont.)							
Michigan State University -61-2075UI	47	074		3,303			3,303
Michigan State University -61-2075UI	47	074		77,495			77,495
Washington State University -121253G003276	47	074		31,514			31,514
Washington State University -118419G003242	47	074		85,869			85,869
Social, Behavioral, and Economic Sciences	47	075	132,517				132,517
University of New Hampshire -14-089	47	075		2,346			2,346
University of New Hampshire -14-089	47	075		83			83
Education and Human Resources	47	076	1,970,520				1,970,520
Montana State University -G122-13-W2687	47	076		51,898			51,898
Washington State University -115393 G002948	47	076		182,708			182,708
Lewis-Clark State College -LCSC2011-11	47	076		7,862			7,862
Washington State University -114008 G003326	47	076		41,258			41,258
Polar Sciences	47	078	230,277				230,277
International Science and Engineering (OISE)	47	079	287,060				287,060
Montana State University -G183-11-W3069	47	079		102,360			102,360
Office of Cyberinfrastructure	47	080	3,434,478				3,434,478
University of Alaska -UAF 14-0064/POFP41993	47	080		24,129			24,129
Office of Experimental Program to Stimulate Competitive Research	47	081	161,236				161,236
ARRA Trans-NSF Recovery Act Research Support (RECOVERY)	47	082	113,295				113,295
Southwest Research Institute -B99015JD	47	082		2			2
TOTAL - NATIONAL SCIENCE FOUNDATION			9,849,014	1,230,326	-	-	11,079,340
<u>ENVIRONMENTAL PROTECTION AGENCY</u>							
OFFICE OF THE ADMINISTRATOR							
Environmental Education Grants	66	951			20,188		20,188
OFFICE OF RESEARCH AND DEVELOPMENT							
Science to Achieve Results (STAR) Fellowship Program	66	514	15,469				15,469
Regional Applied Research Efforts (RARE)	66	517	10,794				10,794
OFFICE OF WATER							
Water Pollution Control State, Interstate, and Tribal Program Support	66	419					
Idaho Department of Environmental Quality -C984	66	419		13,309			13,309
Nonpoint Source Implementation Grants	66	460					
Department of Environmental Quality -S332	66	460		5,572			5,572
Capitalization Grants for Drinking Water State Revolving Funds	66	468					
Department of Environmental Quality -C883	66	468				7,157	7,157
OFFICE OF CHEMICAL SAFETY AND POLLUTION PREVENTION							
Research, Development, Monitoring, Public Education, Training, Demonstrations, & Studies	66	716					
National Association of State Dept. of Ag Reseach Foundation -2013PSEP IDAHO	66	716				10,024	10,024
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE							
Solid Waste Management Assistance Grants	66	801					
Idaho Department of Environmental Quality -S497	66	801				18,500	18,500
TOTAL - ENVIRONMENTAL PROTECTION AGENCY			26,263	18,881	20,188	35,681	101,013



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
NUCLEAR REGULATORY COMMISSION							
NUCLEAR REGULATORY COMMISSION							
U.S. Nuclear Regulatory Commission -NRC3810957	77				15,869		15,869
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77	006	15,929				15,929
TOTAL - NUCLEAR REGULATORY COMMISSION			15,929	-	15,869	-	31,798

DEPARTMENT OF ENERGY
DEPARTMENT OF ENERGY

Northwest Power and Conservation Council - C2012047	81					3	3
Idaho Department of Fish & Game - LETTER110309SERVHEEN	81			(276)			(276)
Northwest Energy Efficiency Alliance, Inc. - 40061-07	81			15,007			15,007
Northwest Energy Efficiency Alliance, Inc. - 40061-06	81			5,640			5,640
Northwest Energy Efficiency Alliance, Inc. - 40061-05	81			27,134			27,134
Northwest Energy Efficiency Alliance, Inc. - 40061-05	81			60,475			60,475
Northwest Power and Conservation Council - C2013-47	81			3,670			3,670
Northwest Power and Conservation Council -C2011-41	81			2,601			2,601
Northwest Energy Efficiency Alliance, Inc. - 40061-06	81			8,928			8,928
Northwest Energy Efficiency Alliance, Inc. - 40061-02	81			1,990			1,990
Columbia River Inter-Tribal - C13-01C1300140	81			712,066			712,066
Bonneville Power Administration -61778	81		53,390				53,390
Department of Energy -DEFG0203ER41270	81		94,216				94,216
Department of Energy -DESC00004751	81		135,574				135,574
Battelle Energy Alliance LLC -00042246 TO00069	81					(434)	(434)
Battelle Energy Alliance LLC -42246TO108	81					337,262	337,262
Battelle Energy Alliance LLC -42246TO127	81					1,078,255	1,078,255
Columbia River Inter-Tribal -C11-17 C1101740	81			11,721			11,721
Columbia River Inter-Tribal -C11-17 C1101740	81			56,985			56,985
Washington State University -117844_G003213	81			45,761			45,761
Battelle Energy Alliance LLC -68389-01	81			98,314			98,314
Coeur d'Alene Tribe -11596	81			12,639			12,639
Idaho Department of Fish & Game -2/25/13 LETTER SCHRIEVER	81			31,015			31,015
Idaho Department of Fish & Game -11580	81			46,759			46,759
Idaho Department of Fish & Game -MA, UI/IDFG 09	81			4,923			4,923
Kootenai Tribe -UI/KTOI TO63775-2	81			16,493			16,493
Kootenai Tribe -UI/KTOI TO63775	81			16,741			16,741
Kootenai Tribe -UI/KTOI TO58178	81			42,093			42,093
Battelle Energy Alliance LLC -00042246TO46	81			17,728			17,728
Sandia National Laboratories -1346154	81			4,934			4,934
Battelle Energy Alliance LLC -42246TO98	81			1,397			1,397
Battelle -194975	81			78,214			78,214
Columbia River Inter-Tribal - CRITFC Kelt Reconditioning VI	81			781			781
Columbia River Inter-Tribal -C12-36	81			1,867			1,867
Columbia River Inter-Tribal -C13-12 PO C1301240	81			190,134			190,134
Battelle Energy Alliance LLC -42246 TO102	81			116,922			116,922
Battelle Energy Alliance LLC -00042246 TO 00123	81			116,191			116,191
Battelle Energy Alliance LLC -TO9100042246	81			24,936			24,936
Battelle Energy Alliance LLC -42246TO120	81			109,667			109,667
Battelle Energy Alliance LLC -42246TO0111	81			8,435			8,435
Idaho National Engineering Laboratory -42246TO131	81			9,608			9,608
Battelle Energy Alliance LLC -42246TO99	81			34,407			34,407
University of Wisconsin -354K756	81			83,068			83,068
Argonne National Laboratory -2F-33081	81			33,479			33,479
Los Alamos National Laboratory -210546-1	81			33,480			33,480
Battelle Energy Alliance LLC -42246TO116	81			53,903			53,903
Battelle Energy Alliance LLC -00042246TO00117	81			67,542			67,542
Battelle Energy Alliance LLC -00042246TO119	81			32,713			32,713



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF ENERGY							
DEPARTMENT OF ENERGY (Cont.)							
Battelle Energy Alliance LLC -42246TO97	81			2,710			2,710
Battelle Energy Alliance LLC -42246TO96	81			40,113			40,113
Battelle Energy Alliance LLC -68389-01	81			45,110			45,110
Battelle -42246 TO104	81			49,269			49,269
Battelle Energy Alliance LLC -42246TO103	81			49,670			49,670
University of Wisconsin -347K815	81			45,210			45,210
Battelle Energy Alliance LLC -42246 TO112	81			49,360			49,360
Battelle Energy Alliance LLC -42246TO113	81			(750)			(750)
Battelle Energy Alliance LLC -42246TO114	81			77,385			77,385
Battelle Energy Alliance LLC -42246TO126	81			51,570			51,570
Battelle Energy Alliance LLC -42246TO128	81			47,443			47,443
Battelle Energy Alliance LLC -42246TO129	81			6,744			6,744
Battelle Energy Alliance LLC -42246 RELEASE 130	81			20,922			20,922
Battelle Energy Alliance LLC -00127434	81			90,154			90,154
Battelle Energy Alliance LLC -128504	81			240,547			240,547
Battelle Energy Alliance LLC -127686	81			85,433			85,433
Battelle Energy Alliance LLC -42246TO121	81			12,142			12,142
Battelle Energy Alliance LLC -00042246TO115	81			57,994			57,994
Battelle Energy Alliance LLC -00042246TO00122	81			14,052			14,052
Battelle Energy Alliance LLC -42246TO124	81			14,622			14,622
Battelle Energy Alliance LLC -68389-02	81			70,245			70,245
Kootenai Tribe -UI/KTOI Yager-63143	81			4,305			4,305
Kootenai Tribe -UI/KTOI TO60124	81			3,404			3,404
Idaho Department of Fish & Game -021513 LETTER SCHRIEVER	81			33,469			33,469
Columbia River Inter-Tribal -C12-37/C1203740	81			811			811
Battelle Energy Alliance LLC -00042246TO115	81			20,006			20,006
Kootenai Tribe -UI/KTOI TO57791	81			158,875			158,875
Battelle Energy Alliance LLC -42246TO125	81			426			426
Los Alamos National Laboratory -193703-1/182305	81			9,103			9,103
Georgia Tech Research Corporation -RD537SD	81			28,472			28,472
Battelle Energy Alliance LLC -42246TO72	81			2,629			2,629
Battelle Energy Alliance LLC -00042246TO118	81			53,768			53,768
Battelle Energy Alliance LLC -TO00060	81			783			783
Battelle Energy Alliance LLC -TO00061	81			15,683			15,683
Battelle Energy Alliance LLC -00042246TO00065	81			(300)			(300)
Kootenai Tribe -BPA50_SU_UOFI_CLOUD_FY12	81					(1,674)	(1,674)
Idaho National Engineering Laboratory -145044	81					6,300	6,300
ARRA DEPARTMENT OF ENERGY (RECOVERY)							
Idaho Power Company -SOW#6	81	ARRA		11			11
ARRA RENEWABLE ENERGY RESEARCH AND DEVELOPMENT (RECOVERY)							
ARRA Arizona Geological Survey - IDEE0002850	81	087					
ARRA Arizona Geological Survey - ID-EE0002850	81	087		26,354			26,354
	81	087		47,898			47,898
Office of Science Financial Assistance Program	81	049	15,745				15,745
Washington State University -105283G002254	81	049		47,459			47,459
Michigan Technological University -950413Z3	81	049		(3,360)			(3,360)
The University of Michigan -3001644205	81	049		129,546			129,546
University Coal Research	81	057					
University of North Texas -GF2654/PO NT752-134182	81	057		59,242			59,242
Conservation Research and Development	81	086	169,002				169,002
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81	117					
Boise State University -5212-B	81	117				67,436	67,436
Boise State University -5212-B	81	117				22,856	22,856



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF ENERGY							
DEPARTMENT OF ENERGY (Cont.)							
Nuclear Energy Research, Development & Demonstration	81	121	188,878				188,878
Battelle Energy Alliance LLC -00042246TO00059	81	121		7,781			7,781
TOTAL - DEPARTMENT OF ENERGY			656,805	3,956,395	-	1,510,004	6,123,204
DEPARTMENT OF EDUCATION							
DEPARTMENT OF EDUCATION							
Federal Pass Through	84	928A					
National Writing Project -92ID01 A16	84	928A				(1,851)	(1,851)
ARRA School Improvement Grants, Recovery Act	84	388					
Idaho State Department of Education - 063057	84	388				15,107	15,107
Idaho State Department of Education -042100	84	388				(94)	(94)
OFFICE OF STUDENT FINANCIAL ASSISTANCE PROGRAMS							
Federal Supplemental Educational Opportunity Grants	84	007			518,009		518,009
Federal Work-Study Program	84	033			407,923		407,923
Federal Perkins Loan Program-Federal Capital Contributions	84	038			602		602
Federal Pell Grant Program	84	063			15,545,444		15,545,444
Federal Direct Student Loans	84	268			63,845,844		63,845,844
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES							
Special Education Grants to States	84	027					
Idaho State Department of Education - 074064	84	027				330,944	330,944
State Department of Education - 093012	84	027				938	938
Special Education Grants to States	84	027A					
Idaho State Department of Education - ISDE FY15 SPDG Evaluation	84	027A				239	239
Idaho State Department of Education -073009	84	027A				1,968	1,968
Idaho State Department of Education -073011	84	027A				6,990	6,990
Idaho State Department of Education -073012	84	027A				3,074	3,074
Idaho State Department of Education -074065	84	027A				178,206	178,206
Idaho State Department of Education -074066	84	027A				85,991	85,991
Idaho State Department of Education -074067	84	027A				275,638	275,638
Idaho State Department of Education -074098	84	027A				298,487	298,487
Idaho State Department of Education -075004	84	027A				869	869
Idaho State Department of Education -075006	84	027A				267	267
Idaho State Department of Education -075008	84	027A				380	380
Idaho State Department of Education -075010	84	027A				1,452	1,452
State Department of Education -073010	84	027A				4,068	4,068
Special Education Preschool Grants	84	173					
Idaho State Department of Education - 074064	84	173				331	331
State Department of Education - 093012	84	173				14	14
Assistive Technology	84	224			907,130		907,130
Special Education_Grants to States	84	323					
Idaho State Department of Education -023017	84	323				928	928
Idaho State Department of Education -035033	84	323				947	947
Idaho State Department of Education -084035	84	323				32,137	32,137
Idaho State Department of Education -084036	84	323				65,028	65,028
Idaho State Department of Education -4752	84	323				147	147
Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84	326			79,645		79,645
OFFICE OF POSTSECONDARY EDUCATION							
TRIO_Student Support Services	84	042A			300,254		300,254
TRIO_Talent Search	84	044A			290,807		290,807

University of Idaho

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
DEPARTMENT OF EDUCATION							
OFFICE OF POSTSECONDARY EDUCATION (Cont.)							
TRIO_Upward Bound	84	047			723,215		723,215
TRIO_Upward Bound	84	047A			777,162		777,162
TRIO_Educational Opportunity Centers	84	066			188,812		188,812
Gaining Early Awareness and Readiness for Undergraduate Programs	84	334					-
Idaho State Department of Education -13712	84	334				495	495
Idaho State Board of Education - GEAR UP Idaho Scholarships	84	334				281,476	281,476
OFFICE OF VOCATIONAL AND ADULT EDUCATION							
Career and Technical Education -- Basic Grants to States	84	048A					
Idaho Division of Professional-Technical Education -F-CPL-PSWS-PD-14A-665	84	048A				42,466	42,466
Idaho Division of Professional-Technical Education -F-SPP-EVAP-FC-13B-665	84	048A				811	811
Idaho Division of Professional-Technical Education -F-SPP-PTLI-FC-13A-665	84	048A				860	860
Idaho Division of Professional-Technical Education -F-SPP-PTLI-FC-14A-665	84	048A				37,335	37,335
Idaho Division of Professional-Technical Education -F-SPP-STEM-CP-14A-665	84	048A				23,990	23,990
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION							
Title I Grants to Local Educational Agencies	84	010					
Idaho State Department of Education - 063057	84	010				301,681	301,681
Idaho State Department of Education -042100	84	010				(39,394)	(39,394)
Migrant Education_College Assistance Migrant Program	84	149			404,337		404,337
Improving Teacher Quality State Grants	84	367			93		93
Idaho State Board of Education -S367B01200047	84	367				179,788	179,788
Improving Teacher Quality State Grants	84	367B					
Idaho State Board of Education -S367B0110047A	84	367B				88,797	88,797
TOTAL - DEPARTMENT OF EDUCATION			-	-	83,989,277	2,220,510	86,209,787
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Dept. Health and Human Services -HHSN276201200105P	93		21,699				21,699
HEALTH RESOURCES AND SERVICES ADMINISTRATION							
Area Health Education Centers Point of Service Maintenance & Enhancement Awards	93	107					
ID Area Health Education Center -13537	93	107				3	3
Mountain States Group, Inc. -14689	93	107				1,830	1,830
Maternal and Child Health Services Block Grant to the States	93	994					
Idaho Dept. of Health & Welfare -HC788500	93	994				15,000	15,000
ADMINISTRATION FOR CHILDREN AND FAMILIES							
Child Care and Development Block Grant	93	575					
Idaho Dept. of Health & Welfare -WC061000	93	575				(1)	(1)
Idaho Dept. of Health & Welfare -WC069400	93	575				4,419,550	4,419,550
Idaho STARS -13625-I	93	575				4,214	4,214
Head Start	93	600					
North Idaho College - 10398	93	600				66	66
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93	632			541,553		541,553
ARRA – Child Care and Development Block Grant (RECOVERY)	93	713					
Idaho Dept. of Health & Welfare -WC062600	93	713				12	12
NATIONAL INSTITUTES OF HEALTH							
National Center for Research Resources	93	389					
University of Texas at San Antonio -130449/130446	93	389		121,562			121,562
ARRA Trans-NIH Recovery Act Research Support (RECOVERY)	93	701	47,867				47,867
Allergy, Immunology and Transplantation Research	93	855	559,994				559,994
University of Maryland -SR00002501	93	855		12,866			12,866
University of Texas Southwestern Medical Center at Dallas -GMO 900405 RGC0000000173	93	855		93,134			93,134



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

FEDERAL GRANT/PROGRAM TITLE	FEDERAL AGENCY NUMBER	FEDERAL CFDA EXTENSION	DIRECT RESEARCH EXPENDITURES	PASS THROUGH RESEARCH EXPENDITURES	DIRECT NON-RESEARCH EXPENDITURES	PASS THROUGH NON-RESEARCH EXPENDITURES	TOTAL EXPENDITURES
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
NATIONAL INSTITUTES OF HEALTH (Cont.)							
University of Maryland -8916SR00003008	93	855		99,062			99,062
Biomedical Research and Research Training	93	859	4,361,943				4,361,943
Point Loma Nazarene University -1R15GM102995-01A1	93	859		11,990			11,990
University of Nevada Las Vegas Board of Regents -14-778C-00	93	859		9,254			9,254
University of New Mexico -3RN79	93	859		25,924			25,924
University of Nevada Las Vegas Board of Regents -14-746Q-01-PG13-00	93	859		53,821			53,821
University of Florida -UF13011	93	859		47,430			47,430
Child Health and Human Development Extramural Research	93	865	30,098				30,098
Univ of California Irvine -2010-2401	93	865		35,336			35,336
Aging Research	93	866					
Oregon Health & Science University -90024741_ID	93	866		6,730			6,730
Vision Research	93	867	521,127				521,127
CENTERS FOR MEDICARE AND MEDICAID SERVICES							
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93	768					
State of Idaho Independent Living Council - SILC Keys Training	93	768				(2,527)	(2,527)
State of Idaho Independent Living Council -SILC-1	93	768				111	111
CENTERS FOR DISEASE CONTROL AND PREVENTION							
Public Health Emergency Preparedness	93	069					
Idaho Dept. of Health & Welfare -HC763500	93	069		112,087			112,087
PPHF 2012: Community Transformation Grants -Small Communities Program financed solely by 2012 Public Prevention and Health Funds	93	737					
Coeur d'Alene Tribe -13050	93	737				32,976	32,976
Assistance Programs for Chronic Disease Prevention and Control	93	945					-
Idaho Department of Health & Welfare -HC826700	93	945				10,931	10,931
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION							
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93	243			47,090		47,090
TOTAL - DEPARTMENT OF HEALTH AND HUMAN SERVICES			5,542,728	629,196	588,643	4,482,165	11,242,732
<u>DEPARTMENT OF HOMELAND SECURITY</u>							
Emergency Management Performance Grants	97	042					
Idaho Bureau of Homeland Security -NGBID-11-D-001TO002-FY-2013	97	042		27,553			27,553
Idaho Bureau of Homeland Security -TO001-FY-2013/PO BH130271	97	042		119			119
TOTAL - DEPARTMENT OF HOMELAND SECURITY			-	27,672	-	-	27,672
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>							
AGENCY FOR INTERNATIONAL DEVELOPMENT	98						
Purdue University -8000051144	98			12,547			12,547
Purdue University -8000051145	98			3,513			3,513
Purdue University -8000053416	98			14,002			14,002
TOTAL - AGENCY FOR INTERNATIONAL DEVELOPMENT			-	30,062	-	-	30,062
TOTAL FEDERAL FINANCIAL ASSISTANCE			39,599,900	11,045,776	89,872,855	9,637,591	150,156,122

Notes to Schedule of Expenditures of Federal Awards

Period Ended June 30, 2014

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are recognized following the cost principals contained in OMB Circular A-21, *Educational Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where applicable.

3. University Administered Loan Programs

The University administers the Federal Perkins Loan Program (CDFA number 84.038). The outstanding student loan balance at June 30, 2014 was \$11,286,096 and the loan disbursements were \$1,761,189 for the twelve months ended June 30, 2014.

The above expenditures for the Federal Perkins Loan Program include loans to students and administrative cost allowances. The expenditures reported in the Schedule of Expenditures of Federal Awards represent the administrative cost allowance for the year reported. The federal capital contribution was discontinued for FY 2006.

4. Subrecipients

Of the federal expenditures presented in the schedule, the University provided federal awards to subrecipients as listed on the following pages:



Notes to Schedule of Expenditures of Federal Awards
Period Ended June 30, 2014

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
DEPARTMENT OF AGRICULTURE		
AGRICULTURE RESEARCH SERVICE		
Agricultural Research-Basic and Applied Research	10.001	13,156
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE		
Grants for Agricultural Research, Special Research Grants	10.200	111,881
Federal Pass Through	10.200	
University of California, Davis - 201302570-26-UI-BARBOUR-BGP	10.200	4,516
Grants for Agricultural Research, Competitive Research	10.206	5,262
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	52,792
Higher Education Challenge Grants	10.217	158,417
Integrated Programs	10.303	254,574
Specialty Crop Research Initiative	10.309	
Federal Pass Through	10.309	
University of Wisconsin - 350K825	10.309	13,078
Agriculture and Food Research Initiative (AFRI)	10.310	2,517,353
Federal Pass Through	10.310	
Washington State University - 115808G002989	10.310	89,335
Washington State University - 115808G002989	10.310	37,278
Cooperative Extension Service	10.500	
Federal Pass Through	10.500	
Utah State University - 110897009	10.500	7,436
FOREST SERVICE		
Cooperative Forestry Assistance	10.664	
Federal Pass Through	10.664	
Idaho Department of Lands - UI/IDL10-417 TO 13-302	10.664	700
Forest Health Protection	10.680	49,674



Notes to Schedule of Expenditures of Federal Awards
Period Ended June 30, 2014

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
NATURAL RESOURCES CONSERVATION SERVICE Environmental Quality Incentives Program	10.912	33,305
FOREIGN AGRICULTURAL SERVICE Cochran Fellowship Program-International Training-Foreign Participant	10.962	99,002
DEPARTMENT OF DEFENSE OFFICE OF THE SECRETARY OF DEFENSE Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	25,000
OFFICE OF THE AIR FORCE, MATERIEL COMMAND Air Force Defense Research Sciences Program Federal Pass Through GE Global Research - 400070053	12.800 12.800 12.800	1,655
DEPARTMENT OF THE INTERIOR DEPARTMENT OF THE INTERIOR US Geological Survey - G12PC00068 US Geological Survey - G12PC00068 MOD 3	15. 15.	78,978 12,278
BUREAU OF LAND MANAGEMENT Invasive and Noxious Plant Management	15.230	33,000
GEOLOGICAL SURVEY Assistance to State Water Resources Research Institutes	15.805	17,814
FEDERAL HIGHWAY ADMINISTRATION RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION University Transportation Centers Program	20.701	817,023



Notes to Schedule of Expenditures of Federal Awards
Period Ended June 30, 2014

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
National Aeronautic Space Ad. - NNX07AL05A	43.	5,000
NASA Shared Services Center - NNX09AV04A	43.	76,647
National Aeronautic Space Ad. - NNX10AN29A	43.	190,464
National Aeronautic Space Ad. - NNX10AN30A	43.	180,210
Federal Pass Through		
University of Illinois - 2007-05966-02 A3595	43.	4,460
Aerospace Education Services Program	43.001	384,305
Education	43.008	41,966
NATIONAL SCIENCE FOUNDATION		
Engineering Grants	47.041	15,149
Mathematical and Physical Sciences	47.049	79,319
Computer and Information Science and Engineering	47.070	37,524
Biological Sciences	47.074	476,745
Polar Programs	47.078	73,788
Office of International and Integrative Activities	47.079	65,912
Office of Cyberinfrastructure	47.080	1,654,227
Office of Experimental Program to Stimulate Competitive Research	47.081	84,385
ARRA Trans-NSF Recovery Act Research Support	47.082	35,413
DEPARTMENT OF ENERGY		
DEPARTMENT OF ENERGY	81.	
Department of Energy - DESC00004751	81.	33,995
Federal Pass Through		
Battelle Energy Alliance LLC - 128504	81.	127,953
Conservation Research and Development	81.086	91,872



Notes to Schedule of Expenditures of Federal Awards
Period Ended June 30, 2014

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PAYMENTS TO SUBRECIPIENTS</u>
ARRA Renewal Energy Research and Development	81.087	
ARRA Federal Pass Through	81.087	22,075
DEPARTMENT OF EDUCATION		
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION		
Improving Teacher Quality State Grants	84.367	
Federal Pass Through	84.367	
Idaho State Board of Education - S367B01200047	84.367	26,530
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
ADMINISTRATION FOR CHILDREN AND FAMILIES		
Child Care and Development Block Grant		
Federal Pass Through	93.575	
Idaho Dept. of Health & Welfare - WC069400	93.575	2,326,649
NATIONAL INSTITUTES OF HEALTH		
Allergy, Immunology and Transplantation Research	93.855	41,010
Biomedical Research and Research Training	93.859	2,028,220
TOTAL FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS		12,537,325 T